

# Manifesto for a Humane True Libertarianism

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## #1.

### Libertarians are liberals are democrats are good

I make here the case for a new and humane version of what is often called “libertarianism.” Thus the columnist George Will at the *Washington Post* or David Brooks at the *New York Times* or Steve Chapman at the *Chicago Tribune* or Dave Barry at the *Miami Herald* or P. J. O'Rourke at the *National Lampoon*, *Rolling Stone*, and the *Daily Beast*.

Humane libertarianism is not right wing or reactionary or some scary creature out of Dark Money. In fact, it stands in the middle of the road – recently a dangerous place to stand – being tolerant and optimistic and respectful. It's True Liberal, anti-statist, opposing the impulse of people to push other people around. It's not “I've got mine,” or “Let's be cruel.” Nor is it “I'm from the government and I'm here to help you, by force of arms if necessary.” It's “I respect your dignity, and am willing to listen, really listen, helping you if you wish, on your own terms.”

When people grasp it, many like it. Give it a try.

In most of the world the word “libertarianism” is still plain “liberalism,” as in the usage of the middle-of-the-road, anti-“illiberal democracy” president of France elected in 2017, Emmanuel Macron, with no “neo-” about it. That's the L-word I'll use here.

True liberalism is democratically inclusive. John Stuart Mill and Alexis de Tocqueville were the first liberals to assume political democracy, in the mid-19<sup>th</sup> century. The pioneering management theorist of the 1920s, Mary Parker Follett, defined democracy not merely as majority voting – and then after the voting a bit of pushing the losers around – but as the true-liberal program of discovering, in her coinage, “win-win.”<sup>1</sup> Mill and Tocqueville would have agreed. It's the best version of being a liberal, inclusive, democratic, and pluralistic human, such as has been the best theoretical ideal of an American since 1776. The ideal has only very gradually been fulfilled, never perfectly, and has always been under contestation, sometimes violent. Nativists reject

your tired, your poor, / The wretched refuse of your teeming shore. And Southern trees bear a strange fruit. In 1935 the African-American poet Langston Hughes got it right: "O, let America be America again – / The land that never has been yet / – And yet must be – the land where *every* man is free."<sup>2</sup> The result of liberal democracy's partial, imperfect fulfillment has been a slow approach to flourishing, in which no person is pushed or bossed around without individual consent or contract.

I do *not* mean, you see, "liberalism" as the word is used in the United States, as *social* democracy, in which the government is assigned ever-widening powers of bossing people around, under an imagined "*social* contract" destructive of liberty. Among social democrats – most of my good friends, actually – the use of French-derived "liberty" and especially its Anglo-Saxon synonym "freedom," seems to me confused. (I will, by the way, frequently refer to "my friends" on the left or right. I do not sneer or condescend. I do in fact have many friends on the left and the right. I love them and respect their opinions, mistaken though they often are. I'm always willing to set them straight.)

The classic definition of liberty/freedom is the condition of being liberated/free from interference by other human beings. It means not being a slave. It means not being bossed around under threat of violence. It is, as another African-American poet put it, the "way we journeyed from Can't to Can."<sup>3</sup> As Mill said in 1859, the issue is "the nature and limits of the power that society can legitimately exercise over the individual," even as a single slave owner whipping Silas into Can't.<sup>4</sup>

A New, or Social, Liberalism of T. H. Green in the 1880s initiated a turn to social democracy in liberal England, followed by progressives in the United States after 1890 and anticipated by Continental socialists after 1848. Perhaps the turn was caused by the fall of literal serfdom and slavery, a liberal triumph in the British Empire, in Russia, and in the United States which distracted the clerisy away from less dramatic absences of individual consent and contract. One and done, they appeared to feel. Perhaps the evident triumphs of physical and then biological sciences inspired an envious yet self-confident program to apply Science to society. Perhaps the new patina of democracy after 1867 in Britain and Prussia, and earlier in America, gave the New Liberals the belief that the age of the General Will had in act arrived. We voted for the government, they said, so how could it be tyrannical? (Such an argument appeals to what Benjamin Constant in 1819 called the idea of "ancient" freedom, the freedom to participate in a polis, even if coercive.<sup>5</sup>) Perhaps the newly successful nationalisms and imperialisms put liberals in a mood to push people around, for their own good. They were already using the government to push around lesser breeds without the law, so why not extend it to home? Perhaps a Christianity under challenge was redirected to secular purposes. The anti-slavery agitation had been such a redirection. A startlingly high percentage of American Progressives after 1880, such as Woodrow Wilson, were the children of Protestant ministers.<sup>6</sup> Perhaps, at least in the United States, post-millennialism in theology gave Protestants a program of establishing a heaven on earth.<sup>7</sup> Perhaps even the rise of photography, as it had started then to do in the coverage of war, and still

does in the coverage of famines and refugees, made charitable people vividly aware of how the other half lives. Perhaps the New Liberals were merely rebelling against their fathers. In truth, the causes of the illiberal turn in the late 19<sup>th</sup> century by self-described liberals are mysterious. But it happened.

By around 1900 in the Anglosphere the left had added a “freedom” of being liberated (so to speak) from any constraint whatever, as for example liberated from the law of gravity, or from the law of scarcity. The addition seemed plausible, perhaps, as the next step, as I say, after ending literal slavery. We can make the world anew, the new "liberals" believed in their scientific confidence, by repealing the irritating old laws, and putting a new law of governmental planning and compulsion in their place. If one could fly like Superman, one would be “free” as a bird. Let’s do it. If one could improve the race by sterilizing the third generation of imbeciles, or jailing homosexuals, we would be “free” of defect. Let’s do it. If one could benefit from the third of Roosevelt’s four “freedoms” in his speech of 1941, one would be adequately rich, by taking from others.<sup>8</sup> Let’s do it. Freedom, the New Liberals argued, is the same thing as being adequately rich or pure or powerful, which government, they said, can arrange with ease.

In High Liberalism, to put it another way, the equal and liberal liberty I have to make a voluntary arrangement with you was extended to a novel and socialized “liberty” of mine to seize by violence your goods, through the government’s monopoly of violence, in order to give to me a set of "positive" liberties. I am to have a liberty from want, for example, regardless of my supply of goods to you. “Every man a king,” said Huey Long of Louisiana in 1934, and his method was that of both Bad King John and his enemy Robin Hood, characteristic of the feudal order and later the socialist or fascist or welfare-state order, under a theory of zero sum, win-lose. “It is necessary to scale down the big fortunes,” said Huey, “that we may scatter the wealth to be shared by all of the people.”<sup>9</sup> Scale down by violence the one person’s earnings by trade and betterment in order to give money to another voter for Huey, and all will be well.

Under High Liberalism, as under feudal hierarchy or crony capitalism or fascist nationalism or conservative reaction or any number of illiberal régimes, I am to have especially a liberty to regulate through the government's monopoly of violence your behavior in ways beneficial to me. I am to have for example a liberty to prevent your entry into my trade, forcibly backed by police. And so forth. “We” are to have, for another instance, a liberty to wage an offensive war for King and country, or to end all wars, financed by your goods or person appropriated for the purpose.

The New Liberal has asserted down to the present that people get better housing and the eight-hour day from governmental plans and compulsions, such as the Wagner Act facilitating excellent industrial unions, or rent controls facilitating wonderfully cheaper housing, or an entrepreneurial state coming up with brilliant ideas.<sup>10</sup> Improvement, she says, especially if she is a labor lawyer or a labor historian, had nothing to do with voluntary and profitable private agreements yielding an

increasingly enriched working class that could therefore get beyond houses without heating or twelve-hour work days without rest. Don't be silly, the "liberal" says to the true liberal. We New Liberals and Continental socialists became in the 19<sup>th</sup> century, to use a word favored in public theology, "intentional" about making a just society. After intentional struggles on the picket line and intentional votes in parliament the just society was finally achieved, not by enrichment from innovation and trade but by pure hearts and coercive regulations. New Dealers justifying government, such as Arthur Schlesinger, Jr., or my father Robert Green McCloskey, looked back for precedents to the age of Jackson, and its splendid "internal improvements." Their students still do.<sup>11</sup>

Quite aside from the factual problems with such a leftist history, the terminological problem is that we already have words for such "freedoms" – namely, adequate comfort, great wealth, considerable power, unusual physical abilities, central heating, the power to tax. To use the freedom word to mean all these other things, such as in the economist Amartya Sen's and the philosopher Martha Nussbaum's vocabulary of "capabilities," confuses the issue.<sup>12</sup> Capabilities are good. We should work to assure that every person on the planet has them, chiefly if not only by letting a free economy enrich ordinary people. As Adam Smith put it, at a time a nascent economics was shifting from the glory of the king to the welfare of the people, "no society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable."<sup>13</sup> That's the "humane" aspect of humane liberalism. But developing such good things is not in itself "freedom," unless we want to smooch into the one word all good things under the sun.

To put it another way, Smith and I do claim emphatically that development is indeed the consequence of freedom. But development not the same thing as freedom. A cause is not the same thing as its consequence. No one would deny that it's good to be developed to the extent of being adequately rich. In 1937 Beatrice Kaufman advised a friend: "I've been poor and I've been rich. Rich is better!"<sup>14</sup> Got it. Yet we still need a word for a distinct "freedom from violent constraint by others," because we need to watch out for tyranny itself, and its consequences for poverty. And beyond money we need to watch out for the consequences of tyrannical unfreedom in preventing other sorts of human flourishing. Now as much as in 1776 or 1789 we need to watch out for the tyranny of the king, husband, slave owner, village elder.

My friends the social democrats appear to believe that in Stockholm and San Francisco there is no longer a special problem of tyranny as such, because we got rid of tsars and wife beaters, and after all we *vote* for the mayor who bosses us around ("ancient" freedom again), taxing us to give out good things to others, such as the mayor's loyal supporters. The social contract reigns, which was Rousseau's bizarre "solution" to the problem of maintaining liberty yet giving power to the government to seize property. So let's smooch the word "freedom." I gently remind them that the Russian Federation has acquired a new tsar, and Turkey a new sultan, voted by the *volonté générale* onto their thrones, and that even in Stockholm and San Francisco, lovely as those places are, it is a mistake to believe that wife beating is over, or taxation utterly

harmless, or politicians altogether free from tyrannical tendencies. Do I need to mention Trump again?

To put it still another way, among social democrats “freedom” has come to mean simply, in the jargon of economists, “having a budget constraint far from the origin,” that is, being rich. In the short run, to be sure, Paul can readily get such a pleasant budget constraint, by taking money from Peter. But consider the long run. Being free in the original and usefully differentiated sense of being free from violent constraint by tyrants large or small has regularly in fact resulted in the desirable result of budget constraints *far* from the origin, with the whole society enriched, and not merely Paul at the expense of Peter. Freedom, empirically speaking, usually yields win-win. By contrast, tyranny, empirically speaking, usually yields zero or negative sum. Not always. It’s not a matter of pure reason, *der reinen Vernunft*, but a matter of ordinary history.<sup>15</sup> It’s what the history of true liberalism has pretty much shown, and the contrasting history of true socialism, in the histories of West Germany as against East, for example, or of South Korea as against North, or recently of Colombia as against Venezuela.

And beyond matters of budget constraints and money riches--I say, against my conservative and socialist friends--freedom correctly understood has resulted in all the rest of human flourishing, in culture and in self-cultivation. Again, it doesn’t have to be so by sheer logic, whether proffered by the right or the left. Maybe in the extreme a boot stamping on a human face forever would yield, for example, great art. But in historical fact it is liberalism that has yielded wider flourishing, and it is reaction and socialism that has not. Take socialist realism. Please. The liberal societies are creative, and reasonably virtuous. The reactionary or socialist or heavily regulated or in the extreme boot-stamping societies are stifled--ranging from somewhat dull to very, very nasty.

After 1945 the city state and colony of Hong Kong, for example, was free from a good deal of human coercion by wise planners. It was more or less *laissez faire* in its economy (though as a British Crown colony it had no political rights whatever--yet it had the advantage of English common law). Despite massive immigration from the Mainland, it developed in two generations from a Somalia-level of poverty to an income per head only a little below that of the United States.<sup>16</sup> By contrast, I reiterate, the ancient and repeated experiments in making humans in matters economic into clients or pets or slaves of the government, ordered about by police or bureaucrats, without the right to say no, have regularly resulted in budget lines hugging the origin, as in Mao’s China or Maduro’s Venezuela, or indeed in the closed corporate village of conservative nostalgia.<sup>17</sup> The great artistic ages, such as 5<sup>th</sup>-century Greece or 15<sup>th</sup>-century Italy or the post-War U.S.A., were built on commerce yielding freedom to trade, and yielding for more and more people in turn their other freedoms and flourishings.<sup>18</sup>

The rescue of the Germanic/Anglo-Saxon word “freedom” or the Latin/French word “liberty” from the care of social democrats hostile to commerce or of

conservatives hostile to equality is not a “mere” matter of definition, to be set aside in serious discussions as pettifogging. If we are to avoid slavery we need a word for non-slavery – or so we all supposed before Rousseau- Green-Sen-Nussbaum spoke out loud and bold. If “freedom” is shifted to the utilitarian definition of Rousseau-Green-Sen-Nussbaum to mean “income,” then any particular coercion by the government might after all be a good thing, so long as the gain is greater than the loss.

The social democrats or plain socialists 1.0, furthermore, believe that a big part of the so-called loss contemplated should in (social) justice be discounted, as an irritating and inconsequential desire of ordinary people for the dignity of autonomy. British local governments, declared the British left in 2018, in honor of Marx’s bicentenary, should build more council houses owned by the government and rented out at favorable rates to favored folk. The government should not, that is, attend to the silly and capitalist and inegalitarian desire of the British working class to be owners of their own homes. They need instead to be pets.

Such declarations, well-meaning or not, are how social democracy proceeds by small steps from a liberal society of responsibility and self-cultivation, with a safety net, to an acceptance of widening governmental coercion and economic engineering, with violent bosses. We are made into pets and slaves and children, not a free people. The state of New Hampshire has the motto on its auto license plates, “Live Free or Die.” In 1974 a motorist who wanted to live free decided he didn’t like the motto on religious and political grounds, and covered it up on his plates with tape. He was arrested, and served 15 days in jail.<sup>19</sup> Thus pethood. *Bad dog.*

In short, the New or High or Progressive “liberal” woman, however one names her, together with her husband the hierarchical conservative irritated by the uppity poor, advocates a régime of pushing people around, as for example prohibition of alcohol in the United States, and then of drugs. As implemented in the twentieth century, her progressive régime, not to speak of her husband’s reactionary régime mixed in with hers, had little of voluntary agreement about it, and a good deal of violently illiberal rhetoric, linked with a disdain for the pitiable or irritating poor, a zero-sum economics, and not much of a search for win-win among responsible adults.

The liberal economist the late Leland Yeager argued that “the principled approach to economic policy recognizes that the task of the policymaker is *not* to [use governmental violence exercised by planning experts to] maximize social welfare, somehow conceived, and *not* to achieve specific patterns of outputs, prices, and incomes. It is concerned, instead, with a framework of institutions and rules within which people can effectively cooperate in pursuing their own diverse ends.”<sup>20</sup> Diversity. I like to knit, you like model trains. Let’s let people have both.

The liberal political philosopher John Tomasi, to distinguish his (and my) views from the strange American usage of “liberal,” calls true or classical liberalism’s alliance with modern democracy “the liberalism of the common man.”<sup>21</sup> It is not the faux “liberalism” recommended by leftish non-common folk with college degrees who want

you to be forced into specific patterns of outputs, prices, and incomes. It is not, that is, the left illiberalism of comfortable servility to a government run by non-common folk, our masters. Nor is it the conservative version of illiberalism, a hat-in-hand obedience to similarly lofty masters. In both cases you and I are under masters with orders and plans for us both in detail.

Tomasi's true liberalism reminds one of Walt Whitman, singing long ago of the democratic and liberal person, "Of every hue and caste am I, of every rank and religion, / A farmer, mechanic, artist, gentleman, sailor, Quaker, / Prisoner, fancy-man, rowdy, lawyer, physician, priest. / I resist any thing better than my own diversity, . . . . I am large. I contain multitudes."<sup>22</sup> Such ordinary people, it was discovered by cautious experiments in the 19<sup>th</sup> and then especially in the 20<sup>th</sup> century, actually do contain multitudes, without much help from a government devoted chiefly to servicing special interests or restricting immigration or enforcing racial segregation or giving jobs to a new aristocracy of spoil-takers or college graduates. That is to say, we discovered by trying it out that ordinary American and British and Dutch and other people, when left largely to themselves by government, did in fact contain multitudes of abilities for self-government and for economic and spiritual progress never before tapped. Running a fruit stand. Watching out from the tenement window for the kids playing stick ball in the street. Inventing automatic window wipers.<sup>23</sup> Operating a food truck.<sup>24</sup> Like liberty in the arts and sciences, or in music and journalism, such economic liberty worked wonders. The old hierarchies began to retreat, though sometimes replaced by new governmental hierarchies of experts and Party members. Mainly, the ordinary people ventured.

The abilities of ordinary people are routinely undervalued by conservatives and progressives, by Tories and left Labourites. Our friends both on the right and on the left wish to use governmental power to judge people or to nudge them. For their own good, you understand. If the judgers and nudgers are economists, they believe that the ordinary economy of supply and demand and the ordinary psychology of common sense are spoilt by scores of appalling imperfections grievously obstructing the social good.<sup>25</sup> The conservatives and progressives, in other words, view ordinary people as barbarians or blockheads, as children unruly or ignorant, to be tightly governed.

We true liberals don't.

## #2.

### Illiberalism is Statist

The American economist Daniel Klein calls the three-hundred-year old tradition of what Tomasi and Whitman and I are praising "Liberalism 1.0." Or, channeling the C. S. Lewis book on the minimum commitments of faith, *Mere Christianity* (1942-44, 1952), Klein calls it "Mere Liberalism."<sup>26</sup> I push it along a little here, to Liberalism 2.0. Maybe 1.5. David Boaz of the liberal Cato Institute in Washington wrote a lucid guide, *Libertarianism – A Primer* (1997), reshaped in 2015 as *The Libertarian Mind*. I wish David had called it *The Liberal Mind*.

In Canada they call it "red Toryism," tolerant of diversity yet careful in spending taxes.<sup>27</sup> In Britain they call it "Orange-Book Liberalism." In a desperate summary for Americans, humane liberalism 2.0 is pre-Trump grown-up in trade policy and in civil discourse; post-Obama tolerant in social policy; post-LBJ democratic in civil rights; pre-McKinley non-interventionist in foreign policy; and pre-Lincoln or even pre-Jackson hands-off in domestic economic policy.

Humane liberalism is in fact mainly against "policy." The word usual for policy in the time of the Blessed Adam Smith was "police."<sup>28</sup> That's about right. Naturally, for a policy to have an effect, whether intended or not, it has to be implemented. If there is resistance it must be implemented through physical violence, legitimately exercised by the police ("police force"; "military forces"). Taxes, for example, are not voluntary. Nor are other laws, many of which we would all agree are desirable, such as laws in favor of vaccination, or against force and fraud. No scandal there. The government, said the German sociologist Max Weber in 1919, can with justice claim "the monopoly of the legitimate use of physical constraint/force/violence" (*das Monopol legitimen physischen Zwanges*).<sup>29</sup> If we agree on its legitimacy and accept its authority, such a monopoly is by no means bad. We would hardly prefer competing *oligopolies* of physical violence, *mafiosi* running around leaning on shopkeepers and lemon growers, a war of all against all.

And of course we do need police to handle the numerous *mafiosi*, thieves, murderers, con men, rapists, extortionists, and other private users of force and fraud. As John Locke said in 1689, "the depravity of mankind [is] such that [some] had rather injuriously prey upon the fruits of other men's labors than take pains to provide for themselves."<sup>30</sup> And we need armies to prevent invasion by, say, the terrifying Canadians or the appalling French, or to prevent visitations of missiles from Russia or North Korea. And we need an FBI or an MI5 to foil plots to steal elections or to poison people in the park. When the guardians do their guarding with integrity, as in the liberal and well-managed countries they mostly do, the police and soldiers and prosecutors and judges and jailers do a noble job. No objection there, either. They have to deal daily with the depravity of humankind. Thank God for their dirty and



dangerous labors to protect us from the depraved. Thank you for your service. Serve and Protect. *Semper fī.* Hurrah for the guardians.

But of course we need to watch them, even in the liberal and well managed countries. And the evidence is striking about how rare are the “liberal and well-managed countries,” in which the monopoly of violence is exercised with reasonable justice and competence, under suitable watching. Of the 176 countries in the world ranked in 2016 by Transparency International for its Corruption Perceptions Index, for example, ranging from Denmark and New Zealand at the top to Zimbabwe and North Korea at the bottom, consider, generously, the top 30 nowadays to be reasonably honest – worthy, say, of fresh infusions of taxpayer dollars, and anyway worthy of a degree of trust in their politicians and guardians<sup>31</sup>. Portugal in 2016 was the marginal case of the 30, ranked 29<sup>th</sup>. Italy, by contrast, though in some ways liberal, bordering on anarchistic, was ranked at 60<sup>th</sup> out of the 176, just below Romania, which is highly corrupt, and Cuba, which is highly illiberal, and just above Saudi Arabia, which is both. Despite many upstanding Italian judges, prosecutors, and police, no wise Italian wants to give the extant government more power.

The prime minister in liberal Spain (ranked, 41<sup>st</sup>) arranged to build a hugely expensive high-speed train from Madrid to his small home city.<sup>32</sup> It wouldn't happen in Denmark or New Zealand, though in the USA similar corruptions have of course happened frequently – in my own state of Illinois, for instance with the corrupt placement of a proposed third airport, or in the state I grew up in, Massachusetts, with the burying of a highway in a corrupt Big Dig. I am focusing here on self-interested corruption alone, setting aside economic and engineering incompetence without notable venality, such as the half-built high-speed rail between San Francisco and Los Angeles. The United States overall ranks 18<sup>th</sup>. But some of its constituent states and cities would rank quite a bit lower. The politicians and guardians in such places lack full integrity or competence, as for example the city government of Chicago clumsily covering up torture and murder of African-Americans by the police.<sup>33</sup>

Ask, then: what percent of world population was governed in 2016 by the better governments, taking countries as a whole and following the relaxed, better-than-Portugal standard, such as Japan (20<sup>th</sup>) or France (23<sup>rd</sup>)? Answer: 10 percent. That is, fully 90 percent of the world's population suffered in 2016 under governments agreed on all sides to be disgracefully corrupt and incompetent, and mostly illiberal, being notably worse than Portugal's.

Yet right and left along the usual spectrum, contrary to the true liberals perched above it, appear to want to give such governments – among them the worst portions, too, of the U.S. and the U.K. (10<sup>th</sup>) – more money and more powers of physical violence. For example, in both the U.S. and the U.K. the government, with considerable popular support, wishes to deport law-abiding and hard-working immigrants according to a dubious economic notion, and anyway an unethical conviction, that immigrants take jobs away from natives, or a dubious sociological notion, also unethical, that their

children will never become properly American or British. The Italians – who considering the longstanding depravity and incompetence of their governors should all be at least liberals, if not anarchists – regularly vote governments back into power that spend taxes still more carelessly and steal public money still more brazenly and push people around still more enthusiastically. Thus the election of Italian populists in 2018

Statists imagine in their twentieth-century optimism that the government has the capacity to “regulate” markets with justice and efficiency. It was recently proposed in Italy, for example, to introduce strict governmental licensing, enforced by the police, for the men who literally hold the welfare of the nation in their skilled hands, pizza cooks. The first question a journalist asks of any new industry or any new misfortune is: Where is the governmental regulation of entry? The presumption is that a complex modern economy will need and can get and should have complex regulation, enforced from above, which will protect us from bad actors. In June of 2018 the humane true liberal David Brooks put the reply to such reasoning this way: “Statist social engineering projects cause horrific suffering because in the mind of statist, the abstract rule is more important than the human being in front of them. The person must be crushed for the sake of the abstraction. This is exactly what the Trump immigration policies are doing. Families are ripped apart and children are left weeping by the fences constructed by government officials blindly following a regulation.”<sup>34</sup> You go, David.

Regulator, regulate yourself. A retired Italian judge, who had courageously fought the Mafia in the Clean Hands prosecutions in the early 1990s, emphasized at a gathering of 4,000 people curious about liberalism at Porto Alegre, Brazil in April 2018 that (even the incompetent) Italian government mainly needed to focus on the urgent task of regulating *private* monopoly.<sup>35</sup> Of pizza cooks, say. Yet 90 percent and more of the world’s people live under governments such as Italy’s that exercise with venality and clumsiness the master monopoly, the government’s monopoly of legitimate violence. The government, as economists have found, is the source of all seriously oppressive private monopolies, such as those of taxis or electricity or, once, telephones.<sup>36</sup> In dispensing and supporting such monopolies, the governments put forward as “regulators” have not regulated their own corruptions. As James Madison wrote in *The Federalist* (no. 51), “in framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.”<sup>37</sup> It seems at least strange for the Italian judge to suppose that governmental regulators have the capacity to protect us from private monopolies that they themselves have sponsored.

At the same session in Porto Alegre a true liberal Italian professor of political philosophy teaching in Brazil noted that a society with a minimal government and wide private enterprise would have no corruption, because there would be no regulator with police powers to corrupt. (I speak here of corruption alone, setting aside the question of whether markets are mostly good on other counts.) A narrow scope for the monopoly of violence, the professor pointed out, implies a narrow scope for diverting the violence to private profit, which is what corruption means. By contrast a society with minimal

private enterprise and massive government would consist almost entirely of corruptions, that is, of the shifting of purchasing power by force to a favored group – because that by definition is how all things are allocated by such a comprehensive government. Thus, in its theory, North Korea. (Yet even in North Korea a black market exists, and has recently expanded, undercutting some reallocations by the unhinged violence-exercising government.<sup>38</sup>)

The point is that in a market, whether black or white, both sides have to agree, or else the deal does not go through. Markets may not achieve nirvana. I told you I am for the moment setting that issue aside. But at least in activities governed by markets there can be no use of the monopoly of violence to shift resources from one person to another, absent mutual consent, because market activities are by mutual consent. Even a poor person can leave a wretchedly paid job for another job a little less wretched. But she cannot if under assignment by a government with its master monopoly, determined to enforce a gulag of slaves. Draftees can't quit. Markets are devices, that is, for non-violent choice. Even a consumer facing a monopolist can choose to say no. Refusing to buy the goods that the monopolist offers might well be highly inconvenient to the buyer. But at least the offer *can* be refused. An offer one literally can't refuse entails muscle, which is to say mafia-like or government-like violence.

The true liberal economist James Buchanan (Nobel 1986) put it this way: "The economy that is organized on market principles effectively minimizes the number of economic decisions that must be made politically, that is, through some agency that acts on behalf of the collective unit."<sup>39</sup> If we make voluntary deals we don't need to bring in the government and its police. Buchanan continued: "In practical terms, we may say that an economy organized on market principles minimizes the size and importance of the political bureaucracy." The market minimizes the prevalence of the (we hope, few) civil servants who would take advantage of their position for personal or party gain. It restrains the wielders of involuntary transactions backed by the threat of violence. Markets in, say, India doubtless have "imperfections." But its government, everyone agrees (ranked **NNth**), has more. India had been leaving since 1991 many more decisions to the market than it did under its socialist governments 1948-1991.<sup>40</sup> Good. And good for poor Indians.

In other words, Weber's violent if legitimate monopoly – when applied to an expansive agenda of policies designed to judge the barbarians or to nudge the blockheads – has dangers. It has dangers even in the few and mainly small countries that are well managed, and more so in the numerous and often populous countries that are badly managed.

## §

In 1913 the total expenditure in GDP of all levels taken together of American government, local, state, and federal, according to the economic historian Robert Higgs, was about 7.5 percent.<sup>41</sup> Therefore the shocking corruptions of many governments at the time – for instance, Chicago's or Boston's – didn't matter much. But by 1996 the

share of total American governmental expenditure had risen to 32 percent, and governments regulated more and more of the rest, by way of what Higgs labels the increasing “scope” of government. The figure is still higher in most other rich countries.

The prevalence of big government comes out of a belief, such as that of the Italian judge speaking in Porto Alegre, that the market and competition are by nature importantly imperfect (a belief for which economists have gathered surprisingly little evidence).<sup>42</sup> The belief was made concrete in 20<sup>th</sup>-century economics by a steadily expanding scope of enforced policies to counteract the allegedly big (though undocumented) imperfections, such as engineering spillovers and natural monopolies and the rest. The belief in market imperfections was allied to a belief that government, which is of course perfect if guided by economists, can itself easily counteract the imperfections (most of which, a liberal would point out, the government caused). Bring on the economists, say the illiberals, and bring on the lawyers and politicians. Surely they are wise and incorruptible.

The result in France, for example, is that the government’s share of national expenditure is 55 percent. French monopolies and regulations proliferated steadily until Macron. Henry Kissinger joked once that France was the only successful communist country.<sup>43</sup> Jean Tirole, that noble country’s most recent Nobel in economics, noted wryly that the French “are perhaps more distrustful than any other nationality of the market and competition,” and correspondingly more trusting of *l’État*. The composition of bread has been strictly regulated in Paris since the Middle Ages, and Parisian rents have been frozen since the First World War. In 1999 another French economist created a national scandal merely by suggesting, in accord with the common sense of so-called public-choice school of economics in the United States pioneered by Buchanan, that politicians and economic and legal officials might sometimes after all have their own interests, imperfectly correlated with the public good. The statist French clerisy was outraged by such a crazy liberal idea.<sup>44</sup>

The increase in governmental scope, quite aside from the schemes of the economists offering themselves as expert economic engineers, has happened of course with popular support. It expresses a tyranny of the majority, which has haunted democracy since the Greeks. “Let the government,” cry the winners of the last election, the majority voters in, say, Hungary or Turkey in 2018, “devise programs to help nice people like us.” And “by all means let us tightly regulate those other, not-so-nice, people” — people of color, say, or Jews, or immigrants, or secularists, or new entrants competing with favored monopolies of doctors and lawyers. “All this will assure our own safety and riches here in the suburbs, or in the thankfully overrepresented countryside. We are angry and terrified,” and made so by populist politicians of the Trumpian sort raising alarms about immigrants and Jews and secularists. “Keep us safe, with a big, heavily armed government,” enforcing a War on Black Drugs or a War on Hispanic Immigrants. “Regulate even ourselves, because we admit to being childlike and fearful. To keep restaurants from poisoning us, for example, do not rely on a free

press and an independent judiciary and the consequent protection from tort and fraud. Instead, appoint an inspector with police powers” and the favor of the ruling elite, to swing by once a year, with a hand extended for a bribe. “Let us, in short, be safe and poor rather than free and rich” dependent rather than autonomous. People demand it. They don’t mind being slaves. We liberals urge them to be free.

If you are on the left or the right, a Democrat or a Republican, a Labourite or a blue Tory, you may view the government as an instrument for doing the fine public things that good folk want, such as the Hoover Dam, or the national park system, or Her Majesty’s Prisons. You may object to Weber’s definition in terms of a monopoly of violence. You will certainly object to Tolstoy’s definition in 1857, of the government as “a conspiracy designed not only to exploit, but above all to corrupt its citizens.”<sup>45</sup> And you will object vehemently to the more recent definition along the same lines by the anarcho-capitalist economist Murray Rothbard (1926-1995), of the government as “a band of robbers into whose clutches we have fallen.”<sup>46</sup> Especially you will object if you are among the 10 percent of world population living under tolerably honest governments, a citizen of Göteborg, Sweden, perhaps, or of St. Paul, Minnesota. Surely this talk of “violence” and “corruption” and “robbing” as the basis of government, you will complain, is over the top.

Unhappily, no, not as a general rule. Few in human history would have disputed the cynical definitions before the upsurge in the late nineteenth century of an optimistic, Rousseau-inspired socialism claiming that governments are actually quite nice, expressing the general will, and that the dangerously nasty actors are international corporations and other institutions of voluntary exchange. A socialist believes to her core that The Problem is private and profitable property. If she is not simultaneously a sweet anarchist, such as Prince Peter Kropotkin (1842-1928), she will naturally turn to the government, as the most obvious tool against property, to fix things up. Let us have a dictatorship of the proletariat. Mill noted in 1859, during the rush of self-government in those post-1848 days, that many people had come to believe that “the rulers’ power is simply the nation’s own power, concentrated and in a form convenient for use.”<sup>47</sup> government of the people, by the people, for the people, the general will. Mill did not believe it worked quite that way, not reliably.

To test your belief that the government is your own will generalized. and to test in particular your disbelief in the centrality of violence to government, I suggest an experiment on April 15 of not paying your U.S. income taxes – perhaps giving voluntarily a few contributions in strict proportion to the share of the government’s budget you judge to be effective and ethical. Whether you tend towards left or right on the conventional spectrum, you will have plenty of corrupting items in mind *not* to give to. The new fighter jet that doesn’t work. The corporate subsidy that does.

Then try resisting arrest. Then try escaping from prison. Then try resisting re-arrest. After release, if ever, you will note the contrast with the non-policy, non-police arenas of trade or persuasion. Try buying an iPhone rather than a Samsung. Nothing

happens. Try not agreeing with McCloskey. Ditto. You will observe a sharp difference from your experience with the entity possessing the monopoly of violence, even in Göteborg or St. Paul.

### #3.

#### A policy of no coercive policy is best

Therefore liberals, whether merely 1.0 or humanely 2.0, believe that a good policy would be having little or no policy. They do not sit anywhere along the conventional one-dimensional right-left spectrum of state violence. The spectrum stretches from a violently compelled right-conservative policy of imperial wars to a violently compelled left-U.S.-"liberal" policy of class warfare. Along the spectrum the issue is only the direction towards which violence is to be applied, not its amount. Anywhere along the spectrum the government exercises massive compulsion backed by police. Nowadays the policies penetrate deeply into people's lives. To be governed under such a régime is to be taxed, drafted, questioned, roused, coerced, beaten, watched, overseen, inspected, judged, nudged, prohibited, licensed, regulated, expropriated, propagandized, gassed, shot, jailed, and executed. Yes, occasionally benefited, too. But at whose cost in compulsion and corruption? Peter and Paul, both.

The true liberal, by contrast, sits up on a second dimension, the non-policy apex of a triangle, so to speak. That is, we liberals 1.0 or 2.0, as I noted at the outset, are neither conservatives nor socialists. The liberal economist and political philosopher Friedrich Hayek argued in an essay, "Why I Am Not a Conservative," that both conservatives and socialists believe, with most lawyers and soldiers and bureaucrats, that "order [is] . . . the result of the continuous attention of authority."<sup>48</sup> The extravagant modern growth of law as legislation, to be contrasted with the older notion of law as the discovered good or bad customs of our community, embodies such a belief.<sup>49</sup> Both ends of the conventional spectrum of governmental violence, and the middle, too, Hayek continued, "lack the faith in the spontaneous forces of adjustment." That's why they think they need violence, to compel the barbarians and blockheads to get organized. "The [real] liberal," by contrast, "accept[s] changes without apprehension, even though he does not know how the necessary adaptations will be brought about." No one in 1970 anticipated the internet. No one in 1900 anticipated that autos could safely whiz past each other on two-lane roads at a combined speed of 120 miles per hour. Almost no one in 1800 anticipated the Great Enrichment. Almost no one in 1700 anticipated liberalism.

The humane liberal economist Donald Boudreaux, commenting on common law vs. statute law, writes: "Many people believe that we human beings left undirected by a sovereign power are either inert blobs, capable of achieving nothing, or unintelligent and brutal barbarians destined only to rob, rape, plunder, and kill each other until and unless a sovereign power restrains us and directs our energies onto more productive avenues. . . . [Nowadays] it is believed that the beneficent sovereign power must be 'the People,' usually in the form of democratic majorities."<sup>50</sup> The philosopher Jason Brennan and the economist Brian Caplan, with numerous others back to Burke and Hobbes and Plato, have made the case that *il populo* make wretched decisions.<sup>51</sup> If so

(though there is considerable doubt that philosopher sovereigns make any better decisions), we had better keep such decisions modest in scope, and constrained by constitution and, especially, by liberal ideology and ethics.

Daniel Klein draws attention to the distinction Adam Smith made between the passive and the active sentiments.<sup>52</sup> Emotion is passive, passion active. An emotion is our first, unreflective moment, sometimes sufficient ethically. We see a child about to fall down a well. Anyone, even a gorilla, is moved to intervene.<sup>53</sup> But the passive emotion, what the economists call maximizing utility, is not enough to be fully human. Smith noted in 1759 that contemplating the mass extermination of the Chinese would give one less emotional pain of the immediate, unreflective, utility-maximizing sort than the loss of one's little finger. On such an occasion the passive emotion is on reflection "so sordid and so selfish" that it cannot satisfy our ethical opinion of ourselves.<sup>54</sup> Reflection is painful, even irritating. But it is needful for a human life beyond impulse. The noble and generous path, of deciding to care more about the mass of Chinese than about one's little finger requires an active passion, in this case a passion for justice. In his egalitarian and liberal way, Smith draws attention in the passage to "the real littleness of ourselves. . . and the natural misrepresentations of self-love."

But wait. Klein draws the liberal conclusion against the violent spectrum of left to right: "The governmentalization of social affairs throws us into the passive position. That is what [true] liberalism understands." We need to get off the spectrum entirely, and into the noble and generous and reflective and un-coerced space of a liberalism suitable to free adults. We need to reject the unreflective little-fingerism of massive government, which makes us into emotional pigs motivated only by immediate self-interest, with governmental farmers to feed us with slop.

## §

To use a surprising word, we liberals, whether plain-vanilla 1.0 or leaning more to humane 2.0, want a society that relies chiefly on a much-misunderstood word, "rhetoric." Liberalism is deeply a matter of rhetoric, the exploration (as Aristotle said) of the available means of non-violent persuasion, "sweet talk."<sup>55</sup> After being for two millennia the basis of education in the West, and having parallel forms in much of the East and South, the art of rhetoric came to be despised by the self-described tough, realistic, and logical European intellectuals of the 17th century, such as Bacon and Descartes, Hobbes and Spinoza. Entranced by Euclid, they were certain they had discerned The Truth.<sup>56</sup> Ever since then, rhetoric has been disreputable – as though there is some other path to truth outside of human talk, the talk in the advanced mathematics 19<sup>th</sup>-century for example about proliferating geometries, radically undermining Euclid and unity. Rhetoric is in fact a practice anciently fitted since the Sicilian lawyers of the early fifth century BCE to a free society. We have only two ways of initiating change in the behavior of others, violent threats or amiable sweet talk. Sweet talk is usually better. Not always, but usually for free adults not trying to muscle or con other people.



Rhetorical sweet talk, for example, is what I'm doing for you now. *For* you, understand, not *to* you. It is a gift, not an imposition. (You're welcome.)

Adam Smith's first paid job was teaching rhetoric to 14-year old Scottish boys, and he retained his belief that "everyone is practicing oratory on others through the whole of his life."<sup>57</sup> A liberal society practices an oratory constrained, as Smith noted, by the impartial spectator, one's conscience, the person within, as against a physical violence applied to others in aid of mastery. The Patriots of the American Revolution were very willing to tar and feather Loyalists.<sup>58</sup> And the Patriot leaders we call the Founding Fathers assumed that men such as they, high in the social hierarchy of an agricultural society, would continue to rule, continuing to be the fine gentlemen ruling over mere commoners, as masters over slaves.<sup>59</sup> The ruling men in the 18th century routinely beat their slaves, wives, children, apprentices, servants, soldiers, and sailors. Then the liberal evolutions after 1776 increasingly stayed their hands, right down to the #MeToo movement.<sup>60</sup> Liberalism is liberty from human coercion, and in particular liberty from coercion by masters or governments or gangsters, or masterful governmental gangsters.

Yes, I know, and concede yet again: *some* imposition by governmental violence is necessary. Not all laws are bad. Got it, and said it. Perhaps now we can move on to the question of exactly *how much* law, *how much* violence? A big, modern government depends too much on violence – bombing foreigners, jailing pot smokers, protecting favored occupations and Whirlpool, seizing property by eminent domain for private projects, breaking into homes in the middle of the night to enforce the worst of the tax laws. A little, non-modern government depends on it, too. Any government tends to, because of the tempting monopoly of violence, which after all is the most direct way to results. No tiresome dialogue. No courts for Central American refugees desperate for asylum guaranteed under the 1951 Refugee Convention and its 1967 Protocol. The economist Yoram Barzel calls even a rule-of-law government the "violence-wielding enforcer."<sup>61</sup> It's so much easier to *force* people directly to stop polluting than to, say, *charge* them for it by establishing property rights in clean air, or to *persuade* them by discussion about it in a free press. It is so much easier to bring in the police to fine and jail people than to reason with them. Policy, police. It's the impulse of the lawyer and legislator, and the tyrant.

By contrast, as an economist notes, the market for goods, like the markets for art and science and ideas, relies on persuasion, sweet talk. "Here's \$3." "Thank you, ma'am. Here's your de-caf caramel macchiato grande." Or: "Let me make a painting by dripping colors on a big canvas and see if you like it." "Wow! A late Jackson Pollock! I'll give you \$32,645,000 for it."<sup>62</sup> Or: "Liberty is the original theory of liberalism." "Oh, I get it." No pushing around. Mutual benefit. Positive sum. Win-win. Rhetoric.

A liberal, to put it another way, really, really does not like the sometimes necessary monopoly of violence, even if exercised in aid of a democratic majority. Though she readily admits that a little violence is required for some limited purposes of

government, she is a friend of the non-governmental and voluntary order of art or market or science or journalism – trade, invention, and persuasion. She dislikes the necessarily violent and police-heavy policy of the feudal order, or of the bureaucratic order, or of the military-industrial order. As the Hungarian-born British economist P.T. Bauer, a lonely voice during the 1950s and 1960s against aid to bossy or incompetent or murderous régimes put it, we should eschew “policies or measures which are likely to increase man’s power over man; that is, to increase the control of groups or individuals over their fellow men.”<sup>63</sup> He was recommending a liberty defined as freedom from violent human interference. The illiberal order of large government is thick with orders from the hierarchy of masterful fellow men and women, generated by thousands of laws passed in each legislative session, and sub-regulations in stunning numbers issued annually by the bureaucracy. The humane liberal belongs instead, as Hayek also declared, to “the party of life, the party that favors free growth and spontaneous evolution,” against the various parties of right and left that wish “to impose [by violence] upon the world a preconceived rational pattern.”<sup>64</sup>

Admittedly a liberal democracy often results in poor choices. Nonetheless one needs to add that following, say, Jason Brennan’s bizarre suggestion of a rule by the well informed with college degrees, or even Hayek’s bizarre suggestion of age restrictions on voting, often does not do much better. The old and well-informed led the United States to invade Iraq, and to invade Vietnam, and to jail Japanese-Americans, and to sterilize the poor, and to justify slavery. Any illiberal order of a big government enslaves, which is to say that it bosses people with violence. That is its business. The business of business, by contrast, is to sweet talk you into win-win by buying its shoes or ships or sealing wax.

A conservative admires evolution up to a couple of decades before the present, but is fearful and angry about any recent or, God help us, future evolution. Adoption of children by a gay couple, say. Yuk. A social democrat, on the other hand, does not admire many of the evolutions up to the present, and is quite sure she can lay down a better future by compelling you to give up your stuff and your liberty – for your own welfare, dear. Industrial policy, say. The true liberal person, by contrast, admires some old evolutions – English common law, for instance, though not its enslaving doctrine of *femme couverte* – and looks with a cheery confidence to a future of unforced evolutions by liberated if constitutionally and especially ethically constrained adults, whatever in the world the evolutions might turn out to be.

At root, then, a liberal believes that as much as possible no one should push people around, standing over them with a gun or a first to force them to do his will. It is an ethical conviction. The liberal abhors hierarchy of men over women, masters over slaves, politicians over citizens. The great liberal philosopher David Schmidtz argues that above all each person should have the right to say no.<sup>65</sup> “I would prefer not to,” said Bartleby the scrivener in Melville’s tale in 1853.<sup>66</sup> As a free man and no slave, he could say no, whether or not it was good for him. He was an adult, and as an adult he was owed respect for his preferences, if not a job.

The nineteenth-century English liberal Herbert Spencer noted in 1891, when such liberal ideas had come under assault from the left as they long had been from the right, that the only alternative to contract or agreement or free will is the violence of superior status and pushing around: "as fast as the régime of contract is discarded the régime of status is of necessity adopted. As fast as voluntary co-operation is abandoned compulsory co-operation must be substituted. Some kind of organization of labor must have; and if it is not that which arises by agreement under free competition, it must be that which is imposed by authority."<sup>67</sup> The American journalist, lexicographer, and liberal 1.0 Mencken wrote in the 1922, "The ideal government of all reflective men, from Aristotle to Herbert Spencer, is one which lets the individual alone – one which barely escapes being no government at all."<sup>68</sup> "The key functions of the legal system," writes the liberal legal theorist Richard Epstein, "can be neatly summarized in four words: aggression no, exchange yes."<sup>69</sup> As Boaz puts it at the outset of *The Libertarian Mind*, "In a sense, there have always been but two political philosophies: liberty and power."<sup>70</sup>

The very word "liberty" in the rhetoric of both left and right has reverted to its medieval and violent meaning, in the plural, "liberties" – "a liberty," such as "the liberty of the City of London," being a special and distinct privilege for this or that person or group, enforced against any who would presume to claim it for herself without the gracious permission of the government of London. It is the government-enforced protection for tire companies in Ohio or the relaxed policing of drugs in white suburbs or the closing of private schools lest anyone get a better education. It contradicts the core liberal criticism of "liberties" articulated by Thomas Paine, "Give to every other human being every right that you claim for yourself – that is my doctrine."<sup>71</sup> Paine's formula works for "negative" liberties – the right to say no – but not for "positive" liberties – the "right" to take from others for your benefit. If everyone claims such positive liberties, everyone is impoverished, by taking and taking and taking. Look at extractive governments such as Zimbabwe's, or for that matter any war of all against all.

Slow socialism recommended, and has eventually achieved, I have noted, an astonishingly high share of national income spent by the government out of coerced taxes, a higher and higher share – often higher than the most appalling tyrannies of the past. Slow socialism has achieved also medieval standards of "liberties" regulating one's stuff imposed by experts on more and more people, more governmental intervention in the wage bargain, more eugenic sterilization of undesirables, more economic protection offered to this or that group, more police-enforced licensing of occupations, more electronic inspection of the residents, more nudging of the ignorant poor, more armies and empires and aggressive alliances clashing by night, more nationalizations of the means of production. It resulted in the stagnant growth of the 1970s in the United Kingdom and the policing of the world since 1945 by the United States. The slow socialist motto is, "I'm from the government, and I'm here to help you – by messing with someone's stuff. . . maybe yours." Or, "Don't tax him, / Don't tax me: / Tax that man / Behind the tree."

Anyone not bewitched by Rousseau's and Lenin's proposition that a general will discerned by the Party is trumps, or Trump, will admit that power to do violence has dangers. The great (American-definition) liberal Lionel Trilling wrote that "we must be aware of the dangers that lie in our most generous wishes," because "when once we have made our fellow men the object of our enlightened interest [we] go on to make them the objects of our pity, then of our wisdom, ultimately of our coercion."<sup>72</sup> Every mother knows the dangers. And when she loves the beloved for the beloved's own sake, she resists them.

The progressives and the conservatives kindly left the word "libertarian," a coinage becoming common in the 1950s, for the mere liberals, who against a statist age remained loyal to Smith and John Stuart Mill, Tocqueville and Bastiat, Lord Acton and Macaulay. The mere liberals were people like Hayek (1899-1892) and Milton Friedman (1912-2006) all their adult lives, the philosopher Robert Nozick (1938-2002) in his early middle age, and Deirdre Nansen McCloskey (1942- ) in her maturity. Deirdre's father was an eminent political scientist (1915-1969), a New-Deal Democrat drifting rightward, and she vividly remembers him around 1960 using "libertarian" as a term of contempt. For a long time it kept her from taking humane liberalism seriously

As so many upper-middle class adolescents are for a while, I was in fact age 16 or 17 entranced by the socialist vision of justice, a Joan-Baez socialist, singing the labor songs. I dreamt I saw Joe Hill. Then in college in the early 1960s, the better to help the poor and disadvantaged – which remains my sole political object, as it is for all of us humane liberals (though we want to *actually* help, rather than rest at signaling how superior in pity we conceive ourselves to be) – I majored in economics and became a standard-issue Keynesian. I was making my fellows the object of my pity, then of my newly acquired wisdom, ultimately of my coercion.

One of us three college roommates, 1961-64, a brilliant electrical engineer who later became a professor of physiology at the State University of Buffalo, used to read the liberal Ludwig von Mises' *Human Action* (1949) in breaks from examining second order differential equations. I remember David leaning perilously back in his swivel chair, his feet up on the desk, smoking unfiltered Galoises cigarettes, with Castro's speeches from Cuba via shortwave set at low volume to serve as a droning background, the old tan-bound Yale-Press edition of Mises perched upon his knees. The other roommate and I, both leftish Democrats, both studying economics à la Harvard College out of Paul Samuelson's textbook in those happy days, scorned the engineer's non-orthodox, voluntaristic, and "conservative" economics. We favored instead a pity-driven coercion in the style of Keynes and Samuelson and Stiglitz. Yet our David, in reading Mises during work breaks, undoubtedly learned more of the economics of a free society than the two of us did attending hundreds of hours of classes in Keynes and slow socialism.

A couple of years later, in 1964, beginning in graduate school still at Harvard, I intended to join the other proudly elite economists down in Washington as a *social*

engineer, "fine tuning" the economy, as we put it. At the time only a handful of graduate programs, such as those at UCLA, the University of Virginia, and above all the University of Chicago, doubted the Ivy-League and slow-socialist theory of expertise, which still has an iron grip on economic thought (see, for an example of adopting the theory uncritically, Tirole 2017, throughout). Yet a year or two into my graduate studies at Harvard it began to dawn on me what the core of economics actually said – *Human Action* and its Liberalism 1.0. The core denied the premise of social engineering, left and right, the notion that a social engineer (as again the Blessed Smith put it) "can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess-board."<sup>73</sup> About then the most prominent piece of social engineering on display, the American invasion of Vietnam, didn't seem to be working out as planned. By the time in 1968 I got my first academic job, ironically at that same University of Chicago, a version of humane liberalism, as against coercive social engineering, was beginning to make sense

Chicago economics was then notorious in the Ivy League for being "conservative." (We of the left did not distinguish conservatives from liberals 1.0, or 2.0. The left still does not. Come on, guys: get a little serious about political theory.) Back as a senior in college, in the fall of 1963, still a vaguely Keynesian leftie, I had not so much as considered applying to Chicago's large and distinguished graduate program in economics, then early in its 20-year reign as the most creative department of economics in the world. Why listen to such evil people? My undergraduate essays were denunciations of the Chicago School for its lack of pity, and for its idiotic misunderstanding of the theory of monopolistic competition devised by my teacher Edward Chamberlain.

Yet a dozen years after spurning the Department of Economics at the University of Chicago, by then tenured at the very place, I became its director of graduate studies. A textbook on Chicago-style microeconomics I wrote in 1982, after shaking the dust of Chicago off my sandals, contains a chapter showing that monopolistic competition is self-contradictory. As the Dutch say, *Van het concert des levens krijgt niemand een program*. In the concert of life no one gets a program. You're telling me.

By the late 1960s and early 1970s, by age 30 or so, I had become a Chicago-School economist, and in the uses of supply-and-demand analysis I remain one. As a rough guide to the liberal flourishing of ordinary people in market economies such as those of Denmark or Japan or the United States, the supply-and-demand arguments have never been scientifically overturned, despite what you may have heard from Paul Krugman or Robert Reich.<sup>74</sup> My earliest big paper in economic history, entitled "Did Victorian Britain Fail?" (1970), was an early "supply-side" rejection of using the Keynesian demand-side economics for the long run. Krugman might want to have a look at it. Another paper a few years later, "New Perspectives on the Old Poor Law" (1973), distinguished the distorting effects of intervening in the wage bargain from the effects of giving a tax-supported cash subsidy to the poor to bring them up to a respectable standard. Reich might want to have a look at it. The cash subsidy as against the

numerous ill-advised interventions in the wage bargain is what economists left and right have been calling since the 1950s the "negative income tax," or nowadays the "earned income tax credit," such as the \$9 a month the Indian government proposed in 2016 to replace its hundreds of corrupt and cumbersome subsidies<sup>75</sup>. The negative income tax has been widely adopted in Latin America, with good results.<sup>76</sup> It is liberalism 1.0, made "Christian" (or Hindu or "bleeding heart" or humane) by a preferential option for the poor.

#### #4.

### **Liberals care about the poor, and actually help them, with equality**

Which is to say that *humane* liberals 2.0 believe that people should help and protect other people when they can. We liberals care. Let young men on Chicago's west side, we say, get real, profitmaking jobs aside from drug running – as the policies of socialists and conservatives do not let them. Go help people in a flood. Feed the poor in the church basement. Let the poor and persecuted into the United States or Britain or Germany. Stop the Rwandan massacre, through violence if necessary, as President Clinton in 1994 did not. Protect the Muslim adult males of Srebrenica, according to the sworn duty of honorable soldiers, as the Dutch Brigade in 1995 did not.

Contrary to the left's conviction that classical liberals favor pushing the poor off the road in aid of some crazy Social-Darwinist scheme, we want the poor to prosper. Really. And we have massive evidence that the left's or the right's policies do not allow the poor to prosper. The philosophers Tomasi and Brennan call themselves "neoclassical liberals," contributing to a lively website created by the philosopher Matt Zwolinski, Bleeding-Heart Libertarians. The "bleeding-heart" refers to the conservative sneer against weepy leftists, and indeed to the Christian pity for Our Savior on the cross, and His wounds. We humane liberals say we should all have hearts – not stony hearts but bleeding, for the pity of mortal lives.

That is, we humane liberals do not stand against poor people, as leftists routinely charge without looking into it much. (They say, "Why should we actually *listen* to Koch-Institute or Mont-Pèlerin-Society evil"? So Nancy & McLean and Phil & Mirowski never realize that the Institute and the Society are strongly opposed to corporate welfare and American imperialism and the awful prison system and the drug laws). Nor are we humane liberals ungenerous, or lacking in ruth. Nor are we strictly pacifist, willing to surrender in the face of an invasion by Mexico, or an extortion by Russia.

But we believe that in getting such good things as effective help for the poor and effective security for the nation, the government should not turn carelessly to violence at home or abroad. Government should not use violence as a first choice for either leftish or rightish purposes, risking the permanent infantilization of the poor or a careless policing of the world. People should depend chiefly not on laws pushing people around but on voluntary agreements among adults, such as commercially-tested betterment, or peaceable treaties of free trade, or agreements for self-protection, or civil conversation, or soulful charity, or the gift of grace, with majority votes constrained strictly by civil liberties for the minority. Above all people should respect the other person by respecting her liberty to say no.

Smith recommended in 1776, I noted, "the liberal plan of equality, liberty, and justice."<sup>77</sup> The first in Smith's triad is a hoped-for equality in social standing, which he favored. Smith, contrary to the attitude of the country club, and contrary to the arrogant pride of some sporting Adam-Smith ties, and contrary to the left's assumptions when they have not read him, was an egalitarian. A man's a man for a that.<sup>78</sup>

The second item Smith hoped for – equal *liberty* – is the economic right he judged you should have, equal to anyone else's, to open a grocery store or enter an occupation when you want. Especially occupations. Smith was outraged by the licensing and passports and other restrictions on the ability of a working man to use his powers harmlessly, or indeed helpfully. He would have been appalled, for example, by the fine-enforced rule in Oregon nowadays that you cannot publish remarks about engineering matters, such as the timing of traffic lights, without being a duly *government*-licensed engineer, even if you are in fact fully trained as an engineer.<sup>79</sup>

The third hoped-for item, justice, is seen by Smith as another equality, your standing equal to any other person before the powers of the government, and before the courts of the government if used by other people against you. Smith was concerned with what philosophers call "commutative" justice – a justice in the procedures for getting stuff and protecting it and one's person. The contrast is with "distributive" justice, namely, how the stuff and personhood after it is gotten will be "distributed," as it were (the very word "distributed" is an illiberal metaphor, because the distribution is imagined as being achieved by force, not by commutative, voluntary agreement). Smith's commutative justice is summarized in the modern idiom by Klein and Boaz as the just procedure of "not messing [without consent, a right to say no] with other people's stuff," or persons. We should all be so constrained in justice, equally.

The theme in liberalism, you see, is equality, derived it may be from the equal natural rights of each, or from the somewhat self-contradictory ruminations of utilitarians, or from its consequences for the survival of societies, or, as seems best to me, from the modest "analytical egalitarianism" so characteristic of eighteenth-century social thought in Scotland. Analytic egalitarianism was labeled and explored in 2008 by David Levy and Sandra Peart, with numerous examples.<sup>80</sup> A fault in the liberal book by Hayek I have often quoted (DDDD) is that he depends on consequential reasons for liberty (such as economic productivity; for example, on pp. 84-85) rather than the natural and equal and analytically modest right we should all have to equal liberty, regardless of payoff.

Though a commonplace now, in the eighteenth century the liberal idea that every person regardless of age or gender or ethnicity or position in the hierarchy should have equal rights was novel, at any rate on a large scale in big polities. The idea was still then to most people shocking. In earlier centuries of agriculture and the accompanying hierarchy of the stationary bandits in charge, a liberal equality was held in fact to be ridiculous, and dangerous. Justice was a matter of treating a duke and a plowman with



the respect owed to each, not equally. You bowed to a duke and did not, at least, gratuitously murder a plowman. In 1381 the Lollard priest John Ball was drawn and quartered for asking "When Adam delved and Eve span, / Who then was the gentleman?" In 1685 Richard Rumbold, an English Leveler condemned to the scaffold under James II, declared – doubtless to the amusement of the crowd standing by to mock him – "I am sure there was no man born marked of God above another, for none comes into the world with a saddle on his back, neither any bootied and spurred to ride him."<sup>81</sup> In 1685 such an egalitarian notion was deemed madness, except by a few nut cases like Quakers, who shook hands instead of bowing or doffing their hats, and let even women testify to the Holy Spirit.

In northwestern Europe a century or so after Rumbold the idea that no man was born marked of God above another was well on its way to becoming a commonplace, at any rate among advanced radicals and a few Old Whigs. Smith and his avant-garde allies of the eighteenth century from John Locke and Voltaire to Thomas Paine and Mary Wollstonecraft recommended a voluntaristic egalitarianism. They were in a word liberals.

They were persuaders, not enforcers. They favored sweet talk, not guns. (Well, perhaps a *few* guns, at the Boyne and Saratoga and Valmy, in aid of equal liberty for free male citizens, especially those espousing an approved religious and political rhetoric.) Mainly when the new liberals heard the word "guns" they reached for their rhetoric. Even in foreign policy. The Founding Brother who does *not* have a hip-hop musical about him, James Wilson, wrote in DDDD that "It may, perhaps, be uncommon, but it is certainly just, to say that nations ought to love one another."<sup>82</sup> A hard *Realpolitik* implemented with bombs and guns is not liberal. And furthermore it seldom works, even in its own cynical terms.

In its fitful development such a liberalism, from *liber* long understood by the slave-holding ancients as "possessing the social and legal status of a free man (as opp. to slave)" and then *libertas* as "the civil status of a free man, freedom" came to mean the theory of a society consisting *entirely*, and ideally, of free people.<sup>83</sup> No slaves at all. Equality of status. No pushing around. Sweet talking. Persuasive. Rhetorical. Voluntary. Minimally violent. Humane. Tolerant. No racism. No imperialism. No unnecessary taxes. No domination of women by men. No casting couch. No messing with other people's stuff or persons. Liberalism recommended a maximum liberty to pursue your own project, if your project does not use your own or the government's physical violence to interfere with other people's projects.

Such a humane liberalism – contested as it has been always by authoritarians of left and right, both sides inspired by the ur-anti-liberal Hegel – has for two centuries worked on the whole astonishingly well.<sup>84</sup> For one thing it produced increasingly free people, which we moderns hold is in itself a great good. We hold it most passionately if we are true liberals. The replacement of an ancient justice-as-unequal-hierarchy by a new 18<sup>th</sup>-century theory of justice-as-equal-standing reached philosophical maturity in

the 1970s with two books by Harvard philosophers. John Rawls declared that justice was fairness, that is, equality of outcome, such as a pizza divided by the government equally among friends. Robert Nozick counter-declared that justice was equal liberty, such as allowing the friends without governmental supervision to divide it as they wished and then trade a share or two for an extra beer. Both men were liberals descended from 18<sup>th</sup>-century models against hierarchy. But Rawls descended from the flawed statist tradition of Rousseau, leading to the Finland Station and Lenin's Russia. Nozick descended from the true liberal tradition of Smith, leading to the Midwest farm and Willa Cather's Nebraska.<sup>85</sup>

For another the new equality yielded human riches and fulfilment, which moderns and especially liberals value, against elevating the servicing of kings and gods. Slaves, lower-class voters, non-Conformists, women, Catholics, Jews, Irish, trade unionists, colonial people, African-Americans, immigrants, gays, handicapped, and above all the poor from whom most of us descend have been increasingly allowed since 1776 to pursue projects consistent with not using physical violence to interfere with other people's projects. As someone put it, in the eighteenth century kings had rights and women had none. Now it's the other way around. And – quite surprisingly, an unanticipated if very welcome consequence – the new liberalism, by inspiring for the first time a great mass of ordinary people, produced a massive explosion of economic betterments. Common people did contain multitudes.

How massive? What multitudes? Liberalism resulted in a fully 3,000 percent increase in the goods and services for the poorest among us. Listen to it. Out of liberalism, the economic historians can tell us, came a three *thousand* percent betterment. The liberal plan gave voice and permission to the Ben Franklins and Isambard Kingdom Brunels and Nikola Teslas and Albert Einsteins and Coco Chanel's otherwise mute and inglorious, to invent. And it gave permission to the ordinary worker, able in liberty to move to a new job, or to the ordinary shopkeeper, able in liberty to open her own shop. The liberating gave us steam, rail, universities, steel, sewers, plate glass, forward markets, universal literacy, running water, science, reinforced concrete, bicycles, automobiles, airplanes, washing machines, antibiotics, the pill, containerization, free trade, computers, and the cloud. And it gave us the less famous but crucial multitudes of free lunches prepared by the alert worker and the liberated shopkeeper pursuing their own little projects for profit and pleasure. It has given us by now, I said, an increase in real income per head by a factor of *thirty*, and a startling rise in the ability to seek, too, the transcendent in Art or Science or God or Baseball.<sup>86</sup>

It was a stunning Great Enrichment, material and cultural, well beyond the classic Industrial Revolution, 1760-1860, which merely doubled income per head. Such doubling revolutions as the Industrial had been rare but not unheard of, as in the surge of northern Italian industrialization in the *Quattrocento*.<sup>87</sup> The Enrichment in the new economically liberal countries was (I say again in case you missed it) 3,000 percent per person, utterly unprecedented. The goods and services available to even the poorest rose by that astounding figure, in a world in which mere doublings, rises of merely 100

percent, had been rare and temporary, as in the glory of fifth-century Greece or the vigor of the Song Dynasty. In every earlier case the industrial revolutions had eventually reverted to a real income per head in today's prices of about \$2 or \$3 a day, the human condition since the caves. Even the domestication of plants and animals worldwide, 8,000 BCE to 2,000 BCE, had not seen a permanent rise of income. For Malthusian reasons, income in agricultural economies reverted to \$2 or \$3 a day. But it didn't after 1800, or 1860, or 1973, or now. Huzzah.

Consider living on \$2 or \$3 a day. Many people still do – though during the past forty years their number has fallen like a stone.<sup>88</sup> The Green Revolution after DDDD made India a grain exporter. Liberalization after 1978 in China made its cities modern. And, as I said, after 1800, or 1973 or whatever recent year you care to choose, there has been no hint of reversion. On the contrary, in every one of the forty or so recessions since 1800 in the United States the nation's real income per head after the recession has exceeded what it had been *at the previous peak*.<sup>89</sup> Up, up, up. Even including the \$2-a-day earned by people still crushed by their illiberal governments exercising their monopolies of violence or by outlaws exercising their oligopolies of violence, in Chad and Zimbabwe, *world* real income per head during the past two centuries has increased by a factor of ten – and by the factor of thirty in countries such as Hong Kong, South Korea, Finland, Botswana. The material and cultural enrichment bids fair now to spread to the entire world.<sup>90</sup> Hallelujah.

And the enrichment has been massively equalizing. The poorest, such as, I say again, your ancestors and mine, have been the greatest beneficiaries. The rich got some additional diamond bracelets. All right. Meanwhile the poor for the first time got enough to eat. Nowadays in places like Japan and the United States the poorest make more, corrected for inflation, than did, say, the top ten percent two centuries ago. Donald Boudreaux makes a plausible case that the average poor person in the United States is richer even than John D. Rockefeller was.<sup>91</sup> She now has antibiotics and air conditioning and 500 channels of rubbishy TV, all of them unavailable to poor old John D. And Jane Austen (1775-1817) certainly lived in material terms more modestly and with less medical security than does the average resident now of East Los Angeles. Our Jane died at 41 of some disease – Addison's, Hodgkins', tuberculosis, we are not sure – easily cured nowadays. Equality of real comfort for the poor in adequate food, housing, clothing, education, health, entertainment, and most other important goods and services has steadily increased peak to peak since 1800. It does yet In countries fully experiencing the Great Enrichment such as Germany and Japan and Singapore the average (and with it the median and the comforts of the poorest) has increased from the \$3 a day in 1800 to over \$100 a day.<sup>92</sup>

As the Austrian-American economist Joseph Schumpeter (1883-1950) put it in 1942, "Queen Elizabeth owned silk stockings. The capitalist achievement does not typically consist in providing more silk stockings for queens but in bringing them within the reach of factory girls in return for steadily decreasing amounts of effort. . . . The capitalist process, not by coincidence but by virtue of its mechanism, progressively

raises the standard of life of the masses.”<sup>93</sup> By now the standard of life for the American masses is four times higher than in the early 1940s, a time in which American real income averaged about what it is now in Brazil. Now we have washing machines. Anti-depressants. Cheap air travel. A bedroom for every child. An advanced education for many. Then not.

Recently in China and India a new economic liberalism has enriched the poor in spectacular fashion. China and India are still very poor on average by European standards. But wait for a generation or two. Later in the present century – and sooner if conservatives and socialists will abandon their illiberal schemes for pushing people around – everyone on the planet will be U.S.- or Finnish-rich. The museums and concert halls will be filled, the universities will boom, a full life will be open to the poorest.

## #5.

### The clerisy doubts, though with weak arguments

Yet, alas, late in the nineteenth century in France and Germany and even in the original-liberal Anglosphere a clerisy of artists and journalists and professors commenced railing against such splendidly productive liberalism and its bourgeois carriers. Flaubert wrote to George Sands in 1867, "*Axiome: la haine du bourgeois est le commencement de la vertu,*" which is to say, it is an axiom that hatred of the bourgeois man is the beginning of virtue.<sup>94</sup> The Great Enrichment didn't come fast enough, they complained. It was a project of our vulgar and commercial fathers. It was not governed by our preconceived rational patterns. (About the same time in Latin America "Positivists" à la Comte were pressing the case for social engineering, mixed to be sure with a version of liberalism.<sup>95</sup>) Dark money is behind it. Let us use the government's monopoly of legitimate violence to better the poor, or to glorify the nation. Let us take from Peter to buy tanks and jets for Paul, or to give Paul capabilities. And then vice versa.

By the time in 1942 that Schumpeter wrote *Capitalism Socialism, and Democracy* most of the clerisy expected comprehensive socialism to prevail. Even Schumpeter, a liberal enthusiast for a business-respecting civilization, did so. And most of the clerisy had long welcomed the prospect. In 1919 the American journalist Lincoln Steffens, returning from the nascent Soviet Union, declared, "I have seen the future, and it works."<sup>96</sup> By 1910 at the latest, as I said, the New Liberals in Britain and the new Progressives in America, for what they assured us were the best of motives, had redefined the L-word to mean its opposite, a slow socialism. (The various post-Great-War soviet and spartacist uprisings in Bavaria, in wider Germany, northern Italy, and Russia, Hungary, Bulgaria were the *fast* sort of socialism, like communism, fascism, and national socialism.) The slow socialism of FDR and Atlee was supposed to raise up the working man by slow compulsion of law, backed by the monopoly of violence, slowly expropriating the economic royalists keeping tons of gold in the back room. It did not recommend the sanguinary violence urged by the hard-left and hard-right socialists in a hurry. But the ends were the same, and some of the means, such as nationalization.

Our friends on the left (as I have often said, never in jest, I repeat: listen up, Jack, Arjo, Nancy) would do well to reflect on the authoritarian cast of European social democracy since 1900 and of American Progressivism c. 1910 and of American High Liberalism c. 1960 and of the American progressivism of Bernie or of the British socialism of Jeremy. Our friends on the right, too, should reflect on the authoritarian cast of their conservatism or Republicanism, most extreme in the capture of the G.O.P by Trump.

§

Such, then, is "liberalism" as misdefined in these latter days in parts of the Anglosphere. Boaz quotes Schumpeter's witticism about the theft of the word "liberal": "As a supreme, if unintended, compliment, the enemies of private enterprise have thought it wise to appropriate its label."<sup>97</sup> The appropriation was not "mere" rhetoric. It illustrates the non-mere-ness of how we talk to each other. The historian Kevin Schultz has written a dual biography of that odd couple, William Buckley the conservative (1925-2008) and Norman Mailer the radical (1923-2007), *Buckley and Mailer: The Difficult Friendship That Shaped the Sixties* (2013). Schultz documents how both men rebelled against the High Liberalism of the 1950s and 1960s. Yet in policy the High Liberalism has won, with a good deal of conservative approval, crowding out the old and adult projects of a free people, such as families as ethical schools or the self-provision for old age or a trade-union insurance against unemployment or a prudent wariness about foreign entanglements. Mailer and Buckley, each in his own flamboyant fashion, sought civil discourse in a liberty-loving society. They failed.

The left-right quarrel has yielded at last the fact-free dogmatism of left and right we hear daily, even among otherwise adult and benevolent folk. The right fears and despises the poor, such as Hispanic immigrants, the left fears and despises the rich, such as bankers, and the middle takes its fairy tales from both, in particular the tale that governments are omni-competent and free choice defective. One hears: "If there is *any* spillover, then the government of the United States or Britain should step in with police powers to stop it." Or: "If there are *any* bad people in the world, then the government of the United States, with British help, should drop bombs on them." When someone asked Michael Bloomberg, the brilliant businessman and three-time mayor of New York City, what he thought about legalizing marijuana, he brought out the fact-free line that marijuana is a "gateway drug." When someone challenged Lindsey Graham, the brilliant senior senator from South Carolina, about America's over-reach abroad, he brought out the fact-free line that "if we don't fight them in Syria, we'll have to fight them in Charleston."

The slow-socialist, High-or-Progressive "liberals" of the late nineteenth and early twentieth century such as Lloyd George and Woodrow Wilson, and then also their supposed enemies the Burkean Conservatives such as Boris Johnson and Lindsey Graham, seized what they imagined to be the ethical high ground. It entailed coercion by governmental violence. The New Liberals and the Progressives have been declaring since around 1900 – joining in this the Conservatives since Thomas Carlyle, who had long made a similar declaration-- that, in effect if not in so many words, "Our motives for extending the scope of governmental violence are pure and paternalistic. Our policy of physical coercion is designed to help the pathetic, childlike, unruly poor and women and minorities, so incapable of taking care of themselves. To leave the business of the citizens to themselves and to their peaceful markets would be highly dangerous, unlike our proposals for coercion at home and abroad. You so-called Humane True liberals 2.0 criticize our splendid policies. We progressives conclude that you hate the poor and women and minorities, or indeed all the ordinary citizens, and must love only the rich,

by whose pay by Koch we suppose you are corrupted to speak so hatefully. We conservatives conclude that you do not sufficiently love our king and country, the Land of Hope and Glory, the Land of the Free. We both say: For shame, for shame! Why should we listen to such evil people?" Thus Senator Elizabeth Warren or Senator John McCain or the Honorable Jeremy Corbyn, bless 'em all, espousing governmental violence in aid of left or right policy.

The essence of real, humane liberalism, in short, is a small government, honest and effective in its modest realm, with a hand up for the poor. Mainly leave people alone to pursue their non-violent projects voluntarily, *laissez faire, laissez passer*. Yet do not ignore the disadvantaged, or disdain them, or boss them around with nudges, or refuse loftily to help them, issuing a country-club sneer of "I've got mine, you losers." Humane liberalism is not atomistic and selfish, contrary to what the High Liberals believe it to be—and as some misled (self-identified) libertarians sometimes talk in their boyish ways, as if they actually believed it, and weren't raised by a mother. Humane liberalism is, on the contrary, an economy and polity and society of equal dignity.

The routine arguments against humane liberalism are, as I gradually came to realize after the 1960s, mostly weak. For example, it is not true, as slow socialists argue, that the taxation and spending and regulation by big governments are innocuous because, after all, they are voted on by "us" and anyway "give back services." The humane liberal will inquire gently of the High Liberal: did you vote for the 81,640 pages of new regulations promulgated by the Federal government during 2016? Or the 70,000 pages of the Internal Revenue Code? Did your representatives in Congress or the White House know even approximately what was in them? Did you or they properly understand the economic consequences, as against what the lawyers and lobbyists will have claimed the taxes and regulations were "designed" to do?

Design is good for furniture and auto--and market designs face the salubrious test that the people pay for them directly and therefore value them at their price, which they in justice voluntarily pay. If the designs are governmental, however, the people do not get to value them item-by-item. Do you actually want the exact fixed-price menu of national parks and government licensing requirements and local schools and aggressive foreign policy that government now provides? Or would you rather order à la carte, at a lower price and higher quality?

Another weak objection to *laissez faire*, even in some true-liberal theory after Locke, is the notion that the government is composed of highly ethical philosopher-monarchs, who can therefore be trusted to run a government kindly, giving us wisely chosen stuff out of taxes—taxes gently, sweetly, democratically extracted from the stuff we make. When the Commissioner of the U.S. Food and Drug Administration, Margaret Hamburg, retired in 2015, she was introduced on National Public Radio as having regulated fully a fifth of the American economy.<sup>98</sup> The statistic is startling, but accurate.<sup>99</sup> Food. Drugs. Was Ms. Hamburg a Wonder Woman—a wholly ethical and

wholly wise philosopher queen? It seems unlikely, though I am sure she is very nice. Therefore the cancer treatment that works in Berlin, Germany is not accessible to you in Boston, Massachusetts, and you will die in agony because the proven treatment awaits a certified finding by the FDA, after ten years, affirming that the drug or medical appliance or procedure has "efficacy," tested unethically by "gold standard" double-blind experiments guided by meaningless tests of statistical significance, and going far beyond the original brief of the FDA to test merely for safety, not for an elusive efficacy, efficacy anyway regularly modified in the clinic by discoveries by doctors using the drug or appliance off-label.<sup>100</sup>

A supposition that government is in the hands of philosopher kings and queens seems on its face naïve, which is what Buchanan's notion of "public-choice" economics avers. The naïveté is well illustrated by the perils of the U.S. Constitution, from the Alien and Sedition Acts of 1798 down to Trumpism. Further, the governor, whoever she is, does not have to be careful with other people's money, or with other people's lives – not when she is insulated by infrequent elections and by the power and prestige of massive modern governments. John Locke opined that "the one only narrow way which leads to Heaven is not better known to the magistrate than to private persons, and therefore I cannot safely take him for my guide, who may probably be as ignorant of the way as myself, and who certainly is less concerned for my salvation than I myself am."<sup>101</sup> Margaret Hamburg of the FDA waxes proud of her "program" to spend your money to coerce you, and she waxes proud, too, of her power to enforce her decisions concerning one fifth of the U.S. economy. Power, you might say, tends to corrupt.

Lionel Trilling wrote in 1950 that the danger is that "we who are liberal and progressive [or indeed Burkean and conservative] know that the poor are our equals in every sense except that of being equal to us."<sup>102</sup> The "us" are the natural governors, graduates of Columbia University, New York, or of Trinity College, Dublin, or of Sciences Po, Paris. In 2016 such arrogance among the elite was detected and punished by the Trump voters, and worldwide by populists from the Britain to Turkey. High Liberals and conservatives suppose that the poor and the rest are incompetent to manage their own affairs. Therefore we of the clerisy – a regiment of which Boaz calls "court intellectuals" gathered in the District of Columbia, with another lively regiment of Eurocrats stationed in Brussels – are supposed to guide the poor and the mere citizens. The clerisy strolls proudly in the glittering courts of Washington or Brussels, in Springfield Illinois or Chicago's City Hall.<sup>103</sup> "We will do so much better," they say to each other, "than the poor or the mere citizens can do for themselves from their homes and in their own markets."

As Paine wrote in the liberal birth year of 1776, "government even in its best state is but a necessary evil, in its worst state an intolerable one." Better keep the power to coerce modest. By 1849, at the first maturation of liberalism 1.0, Henry David Thoreau declared, "I heartily accept the motto, 'That government is best which governs least'; and I should like to see it acted upon more rapidly and systematically."<sup>104</sup> In that same year in far Torino a liberal economist of Italy, Francesco Ferrara, wrote that "taxation is



the great source of everything a corrupt government can devise to the detriment of the people. Taxation supports the spy, encourages the faction, dictates the content of newspapers."<sup>1105</sup> In 1792 even in a quasi-liberal Britain the government owned secretly, purchased with tax money, over half of the newspapers.<sup>106</sup> As Donald Boudreaux wrote recently, "The only sure means of keeping money out of politics is to keep politics out of money."<sup>107</sup> The bumper sticker on my little Smart car read, "Separation of Economy and Government."

Liberals have a reputation for not being charitable, as being for some strange reason apologists for rich people. Not so. Look at what Liberals 1.0 and 2.0 actually do. And anyway the indictment from the left depends on an implausible psychological theory. It supposes that a whole class of political thinkers claim disingenuously that it *does* have the poor chiefly in mind, but secretly wants to make the rich even richer. But why would anyone want such an outcome? What would be her motive to wish that Liliane Bettencourt get more yachts? Corrupting pay from the corporations? Fellowships from a humane-liberal billionaire? Profitable association with a constitutional -liberal professor? The privilege of joining the Mont Pèlerin Society, all in order to damage the poor? If that's how psychology works, as a simpleton's version of an economic-and-social Cash Nexus, consider the pay from the government to teachers in government schools and universities, or fellowships from the sweet slow-socialist George Soros or profitable alliance with the hard leftists Naomi Klein or Jane Mayer or Nancy MacLean. On such a psychological theory all such associations would be corrupting. But surely not. Instead of making up dark conspiracies posited on a juvenile Marxist theory of why people say what they say, let's actually listen to the arguments of our supposed enemies, and consider their evidence.

Admittedly, a certain strain of conservatives, and the more brotherly as against the sisterly liberals, exhibit just such a lack of sympathy for the disadvantaged. It is too often, I repeat, the attitude of the country club. William Buckley's startling defense back in the 1960s of the tyranny directed at the poor among African-Americans exhibited one version of it. But a lack of concern for the less fortunate of our brethren is by no means intrinsic to humane liberalism. On the contrary. Dr. Adam Smith was much given to acts of secret charity. John D. Rockefeller gave substantial shares of his income to charity right from his beginnings in Cleveland. Andrew Carnegie on his death gave all of it. On a somewhat smaller scale, I myself supported two homeless people for many years, living in my own apartment with me. And I tithe at my Episcopal church, which then gives it skillfully and in a Christian spirit to the poor. A lack of concern for others is not at all implied by humane liberalism, or by Christian libertarianism, or by neoclassical libertarianism, or by a liberalism 2.0 of the bleeding heart.

Many conservatives or communitarians or Greens or Catholic social teachers believe that liberalism entails a retreat from society altogether. Patrick Deneen's *Why Liberalism Failed* (2018) is a recent example, but the genre has a long, even tedious, history – Michael Sandel's *What Money Can't Buy* (DDDD), right back to the originals on the left and right, Marx's eloquence about the cash nexus or Carlyle's about the dismal

science (dismal, it needs to more widely known, because the liberals such as Carlyle's friend John Stuart Mill *opposed* the sweetly medieval system of slavery in the British Colonies, which Carlyle supported).<sup>108</sup> Liberalism, intones Deneen, entails "the loosening of social bonds" (such as slavery, one might note), "a relentless logic of impersonal transactions" (so unlike the transactions of Israelites selling lumber to Egyptians, say), and the proposition that "human beings are thus, by nature, non-relational creatures, separate and autonomous" (as for example in the deep exploration of human relationships in the bourgeois and liberal novel since 1700).<sup>109</sup>

Ayn Rand had here a bad effect, with her masculinist doctrine of selfishness, and her uniformly male, self-absorbed, and reckless heroes in her illiberal-with-liberal novels, ever-popular with college freshmen. Especially fresh-men. Senator *Rand* Paul in his run for the Republican presidential nomination in 2016 got disproportionately fewer votes from women than from men. Yet his policies of stopping the drug war against Black and Hispanic families and reducing the flow of body bags filled with Appalachian boys fighting distant wars, like most of his proposals, were the most family-friendly on offer from any candidate, including (in their actual as against their "designed" effects) the proposals from the frankly socialist Bernie Sanders. As for charity, Dr. Paul regularly contributes his skill as an eye surgeon to sight-saving operations in poor countries. I urge Dr./Senator Paul, for the good of our shared humane liberalism, to ditch that misleading "Rand," and change his first name to, say, Adam.

## #6.

### We can liberalize

Even at this late hour, reducing the size and power of government, and letting free people have a go (in the British phrase), is practical. It is achievable by parts whether or not a Painean or Thoreauesque or Ferrarite ideal is finally achieved. To note another weak argument against *laissez faire*, our coercion-minded friends are mistaken that the more complicated an economy is, the more regulatory attention it needs from the governors. No. A correspondent of Donald Boudreaux complained that “to offer the counsel ‘Let the market handle it’ is . . . simplistic and pollyanish.” Boudreaux replied (on his website *Café Hayek*, April 6, 2017): “Quite the opposite. To let the market handle matters is to allow as many creative minds as are willing to put their own efforts and resources on the line in their quests to address whatever problems exist, and it is to use the most effective and reliable of tests – market competition – to judge and to monitor the efforts. What *is* simplistic and pollyannaish is to say ‘Let the government handle it.’” Let the highly ethical philosopher-monarchs handle it. Let Margaret Hamburg govern one fifth of the American economy.

A complicated economy far exceeds the ability of any collection of human intellects to govern in detail. A person's own life might be so governed, or her little household or maybe even her big company – though any adult knows that even little societies are hard to plan in detail, offering endless surprises. You get no program. But governing in detail from the capitol the trillions of shifting plans daily by the 324 million individuals in the American economy, much less nation-building abroad, is impossible – because, as Smith again put it, “in the great chess-board of human society, every single piece has a principle of motion of its own.”<sup>110</sup> The principles of motion are idiosyncratic, because people are motivated in varying proportions by prudence, temperance, courage, justice, faith, hope, and love, together with the corresponding vices. By way of such principles of motion, you and I pursue our endlessly diverse projects, knitting and model railroading. Such a liberal plan fits well a society in which people are taken as free and equal – equal even to the Columbia/Trinity-College/Sciences-Po graduates of the clerisy.

What to do, then, in leashing the power to coerce? The practical proposals are legion, because illiberal policies are by now legion, as they also were during the feudalism that the early liberals overturned. True, it takes an idea to kill an idea. Most theories of vested interests, as the economists Wayne Leighton and Edward López point out, imply that the vesting is irreversible (as indeed it was for medieval monks “vested,” that is, ceremonially dressed for the first time in their official robes).<sup>111</sup> Gordon Tullock, the confounder of “public choice theory,” noted in 1975 that gifts to favored folk such as the restrictions on entry to owning taxis, the low-cost grazing on governmental land, the home mortgage deduction for personal taxes, and hundreds of other favors and handouts depending on the monopoly of violence, such as the public

protection of slave capital in the United States before the Civil War, get capitalized into the prices of the assets to which they are attached.<sup>112</sup> The second-hand buyer of taxi medallions, Western ranches, private houses, and American slaves gets no supernormal profits. Yet each favor and handout tips investment artificially, resulting in overinvestment in, say, mortgaged houses, or overinvestment in corruption to get and maintain restrictions on entry to, say, taxis or slaves. Proposals to drop the mortgage-interest deduction, of course, or to let Uber compete with medallioned taxis, raise political storms, creating, wrote Tullock, a “transitional gains trap.” The gains are only “transitional,” because entry later erodes them. Sometimes much later. But the social loss in misallocation of investment is permanent--from the mortgage deduction alone by some estimates wasting every year nowadays fully 1% of GDP.<sup>113</sup>

It seems unfair, if globally efficient, to impose a capital loss on people who have innocently bought medallions or houses, or slaves. Whether fair or not, according to Tullock the withdrawal of regulation seldom happens. The political storms create the trap. The theory of political history proposed by Douglass North, John Wallis, and Barry Weingast has the same structure.<sup>114</sup> How does a society get out of an equilibrium of vested interests? Up to 1800, after all, economic growth and democracy had been routinely throttled or starved, in the interest of rent-taking elites.

Yet policies do occasionally change, sometimes startlingly quickly. Leighton and López give the example of the deregulation of many important sectors of the American economy beginning in the 1970s under Carter and continuing under Reagan. In 1977, two years after Tullock’s article showing why such change was hopeless, “fully regulated industries accounted for 17 percent of GNP. But in 1988 that share had dropped to 6.6 percent.”<sup>115</sup> They remark dryly that “Deregulation was a surprise to some, especially to public choice theorists.” The monk sometimes does cast off his vestments and take a wife. Luther did, and his wife was a former nun. There seems to be something amiss in the equilibrium theories. In 1775 the equilibrium was mercantilism. In 1875, with the rise of liberal ideology, mercantilism and feudal regulation had receded, at any rate in Britain. In 1975 mercantilism and feudal regulation was back again with a vengeance, in Britain, too, and then in 2018 still more. Why?

North, Wallis, and Weingast want to be seen as materialists, but when they seek explanations of the “transition proper” to “open access societies,” they fall naturally into speaking of a rhetorical change. Two crucial pages of their 2009 book speak of “the transformation in thinking,” “a new understanding,” “the language of rights,” and “the commitment to open access.”<sup>116</sup> Though they appear to believe that they have a material explanation of the liberal rise of “open access to political and economic organizations,” in fact their explanation for why Britain, France, and the United States tipped into open access is ideational.<sup>117</sup> Ideas change through sweet or nasty talk as much as through material interests. What is required is an ideological, ethical, rhetorical change, such as came with Carter’s chairman of the Civil Aeronautics Board bringing economics to bear on regulated airlines, or Reagan’s numerous deregulators.

An ideology of humane liberalism, that is, has occasionally won. We can do it again. Cut the multiple levels of corrupt government in Illinois. Kill off the vast programs of corporate welfare, federal and state and local, as many liberal billionaires propose, against their own financial interests. Close the agricultural programs, which allow rich farmers such as my great grand uncle in Illinois to farm the government instead of the land. Sell off "public" assets such as roads and bridges and street parking, which in an age of electronic transponders can be better priced by private enterprise. Close the American empire. Welcome immigrants. Abandon the War on Drugs. Give up eminent domain and civil forfeiture and armored personnel carriers for police departments. Implement the notion in Catholic social teaching of "subsidiarity," placing modest but essential responsibilities such as trash collection or fire protection down at the lowest level of government that can handle them properly. Then outsource the trash collection and the fire protection. To finance K-12 education, and especially nursery school through elementary school, N-8 – socially desirable but often out of reach of the poor – give families vouchers to cash in at private schools, such as Sweden has done since the 1990s and as Orleans parish in Louisiana has done for poor families since 2008. To achieve such universal K-12 or N-8 education, and a select few of other noble and otherwise privately unfundable purposes, such as handicapped-friendly buildings or rational policies against global warming or armaments in a war of survival, by all means tax you and me, not only the man behind the tree. But eliminate the inquisitorial income tax, replacing it with a tax on personal consumption declared on a one-page form, as has long been proposed by economists such as Robert Hall and Arthur Laffer. Still better, use only an equally simple value-added tax on owners of businesses, to reduce the present depth of inquisition into other people. Eliminate entirely the so-called "corporate" income tax, because it is double taxation and because economists have, scientifically speaking, after 70 years of inquiry, achieved little consensus about which people actually end up paying it. (The old bumper sticker of the 1970s saying "Tax corporations, not people," when you think about it, doesn't make a lot of sense.) Give a poor person cash in emergencies, from those modest taxes on you and me. Quit inquiring into whether she spends it on booze or her children's clothing. Leave her and her family alone. Stop pushing people around.

A government does of course "have a role" – as in indignant reply to such proposals my progressive and conservative friends put it to me daily, predictably, relentlessly. George Romney, the automaker and conventional 1950s Republican, opposing the Liberal-1.0 and conservative Barry Goldwater in 1964, declared, "Markets don't just *happen*. There must be some role for government."<sup>118</sup> Well, yes, of course, government has "some role," though contrary to Romney's assertion most markets do in fact "just happen," because people find them mutually beneficial, with or without governmental action. Markets just happen, to take the extreme case, inside jails and prisoner-of-war camps, with no governmental action to enforce the deals made. They just happened among pre-contact Australian aborigines buying their boomerangs from better-skilled bands hundreds of miles distant.<sup>119</sup>

Anyway, only briefly, at age 15 or so, did I think of myself as a literal "anarchist," (which properly does not mean "bomb-throwing nihilist" but *an-archos*, Greek "no ruler at all"). Government has an essential role in those wars of survival, for example, in which a focused, single purpose is exactly what's needed, and can be achieved for the duration with justified if often over-applied coercion. Then after the victory we can hope that we can get rid of the coercion of a larger role for government – without a great deal of hope, actually, as Robert Higgs has shown.<sup>120</sup>

And yes, by all means let us have a government, a small one, to protect us from force and fraud by fellow Americans – though of course such private arrangements as door locks and high-reputation suppliers and competition in markets achieve the protections in most cases much better, to speak quantitatively, than does their alleged "ultimate" backing by governmental courts and police and inspectors. Protect us especially from government itself, from its habit of suspending the right to habeas corpus or abridging the right to vote or spying on civil-rights leaders or enforcing bedroom-and-bathroom norms or beating up on sassy citizens.

But the government should leave off giving *economic* "protection," such as President Trump promised and implemented against the nefarious plot by Chinese and Mexicans to sell us at low prices very long ties for men and very good parts for cars. Let us have instead separation of economy and government. As in Mafia usage, governmental "protection" is regularly corrupted for the benefit of the rich. It is a tax on enterprise helping poor people with cheap goods and services, and violates the equal liberty of other people – Americans or foreigners or non-Mafiosi – to compete without physical violence in offering good deals to us American consumers. Such taxation is of course the very purpose of the Mafia, extracting an income from protection money by making an offer you can't refuse. And it is the purpose, too, of the Chicago City Council, encouraged by well-placed bribes . . . uh . . . campaign contributions to prevent by ordinance the poor-person-supplying Ikea or Wal-Mart from opening in town. Extortion and protection and rent seeking by elites, exercising the monopoly of violence, puts a fatal drag on betterment, stopping people with new ideas from competing for our voluntary purchases. In the extreme it stops economic growth cold, as it did during the grinding millennia of poverty before 1800, and before "open access" liberalism.

Would you want governmental "protection" from new ideas in music or science or cooking? Probably not. Would you always "buy American" in spices or medical innovations? No. If you believe that an embargo on anti-American nations such as Iran or North Korea are a good idea, why do you want to impose a self-applied embargo on Americans themselves, which is what "protection" by tariff is? Tariffs do not protect. They steal.

And if you really do think protection and buying American is a good idea, to be enforced by tariffs and jail terms, why not still better buy Illinoisan or Chicagoan or even Printers' Rowian? Or for that matter why not make everything you want yourself

in your own home, achieving thereby true self-sufficiency and plenty of "jobs"? Grow your own wheat. Make your own accordion. Invent your own internet. Bravo.

Our rightest or leftist and anyway statist friends will ask in reply, concerning for instance the Russian interference in elections via Facebook: Can Facebook regulate itself in the public interest? "Obviously not," they say. No business, they suppose, has ever acted in the public interest. Profit is a sign of sin. Bring on, therefore, the experts and their police from Washington or Whitehall. Does Whirlpool in the U.S. falter in the washing-machine business? All right, persuade the government to erect tariff barriers against competition from foreigners such as LG and Samsung.

Most people in a post-liberal age approve of such "protection of U.S. jobs." They don't seem to grasp that protection takes from Peter to pay Paul, and then from Paul to pay Peter. A tariff on washing machines might protect 1,000 Americans from hurtful competition, at the cost of eliminating their incentive to improve. But it directly hurts 100,000 other Americans with higher prices and lower quality, in magnitudes that substantially reduce national prosperity on net. It has happened every time it's been tried. Consult populist Argentina, 1946 to the present. The economist Maximilano Dvorkin of the Federal Reserve Bank of St. Louis reckoned that the U.S. 2000-2007 lost from competition from China about 800,000 jobs (a tiny fraction, by the way, of the jobs lost from desirable technological change, such as the demise of video stores and the rest of ghd jobs moved or made obsolete; they amounted in the seven years to scores of millions). But according to Dvorkin the trade with China gained on the same account a similar number of *other* jobs, for a net effect on jobs of zero (the same is true on a much larger scale of so-called technological unemployment). And as a result of the lower prices from such reallocation and competition in the trade "U.S. consumers gained an average of \$260 of extra spending per year for the rest of their lives."<sup>121</sup> Expressed as a capital sum discounted to the present the free trade with China was like every consumer getting a one-time check for about \$5,000.

Do you so fear the multinational corporation--which is trying in its evil way to sweet-talk you into buying its running shoes--that you are willing to erect a comprehensive socialist monopoly, backed by guns, to prevent you from getting any shoes but government-issue? Witness the third of the world ruled once by communism, or the recent history of Venezuela, or the dismal history of modern Egypt with its arm-run economy. As another Italian liberal, and anti-fascist, Benedetto Croce, put it in 1928, "Ethical liberalism abhors authoritarian regulation of the economic process [equally from the left as from the right, from socialism as from fascism], because it considers it a humbling of the inventive faculties of man."<sup>122</sup> In order to protect the Postal Service's monopoly, inspectors in trench coats used to go around in December putting the arm on little children distributing Christmas cards for free in neighborhood mailboxes. In Tennessee by law nowadays, as in Illinois and many other states formerly, to open a new company for moving furniture – two men and a truck, say – you must get permission from. . . wait for it. . . the existing moving companies.<sup>123</sup>

Economic protection as actually implemented – contrary to the sweet if culpably naïve theory that the implementers are wise and ethical philosopher kings and queens, such as are imagined on the blackboards of Cambridge or New Haven or Princeton, or, without the lovely mathematics, on the political stump nationwide – regularly hurts the helpless more than it helps them. But it always favors the few protected, who are easy to see up on the stage, to be favored over the unseen multitudes damaged off stage. Protect *this* job, even though each year in the United States nearly 14 percent of jobs disappear forever, as must be the case in a dynamic economy enriching of the poor.<sup>124</sup> In 2000 over a hundred thousand people worked in video stores. Now, as I noted, none. In the late 1940s there were 350,000 manual telephone operators working for AT&T alone.<sup>125</sup> In the 1950s elevator operators by the hundreds of thousands lost their jobs to passengers pushing buttons and listening to sweetly recorded messages announcing the floors, with irritating TV shows in many hotels. Typists have vanished from offices – the lawyers or their assistants write the briefs directly on their computers. And the biggest, worldwide example is farming. In 1800, 80 percent of Americans were on farms, now 2 percent and falling.<sup>126</sup> Yet the farm-state senators demand protection, such as laws for making gasoline from corn. The tiny group protected have given a nice contribution to a congressperson's welfare, or anyway given a vote to her. Thus we get useless military tanks and planes to stop the Canadian invasion, built with parts made in every congressional district, and garnering votes for every sitting congressperson.

Tariff protection, for example, pushing up profits and wages in American-made steel, will of course at the same time, if off-stage, hurt American consumers of steel. Obviously. That is what it designed to do, and – unusually for "designed" policies – what it actually achieves. It is, as I said, a self-inflicted embargo. (Let us pass over in silence the hurt to foreigners. Yet since when is a cosmopolitan concern for foreigners not to be recommended ethically? And what sort of childish nationalism thinks that hurting Mexicans is good for Americans?) Regularly, I said, in dollar terms such off-stage damage imposed on the *unprotected* Americans is many times larger in economic terms than the on-stage favor granted to the few protected Americans. In 2017 the American government agreed with Mexican sugar producers to restrict imports of Mexican sugar. It kept the price of sugar at the high, long-protected American price, double the world price.<sup>127</sup> But the jobs saved in U.S. sugar production were a tiny fraction of the jobs destroyed in sugar-using production. Candy producers in Chicago shut down. When it comes to protecting sugar growing, the four senators from Florida and Louisiana are very, very interested, with the six from Texas, Hawaii, and North Dakota also expressing an opinion on the matter. Strange, yes?

When in the 1970s the American government imposed quotas on Japanese automobiles, the additional cost each year to American consumers of autos outweighed the annual wages in Detroit thus protected by a ratio of ten to one.<sup>128</sup> The net beneficiaries were United Auto Workers accustomed to receiving a share of the monopoly profit extracted from Americans buying their cars from the lonely and tariff-protected Big Three. The other beneficiaries were of course the stockholders of the Big



Three, and, less obviously, a Toyota Company in far Japan enabled to capture still more of its very own monopoly profit, by restricting its supply to the U.S. and thereby pushing the U.S. price above the world price of Toyotas. Swell.

A worse case, still deemed sacred on the left, is the worldwide assault on young or unskilled seekers of any job at all, through job protections for the oldsters and the skilled. Job protections in slow-socialist régimes have created in Greece and South Africa and the slums of the U.S. a dangerously large class of unemployed youths.<sup>129</sup> A quarter of French people under 25 years of age and out of school are unemployed, and the rest are employed mainly on monthly temp contracts, because regular jobs held by old people in France are fiercely protected.<sup>130</sup> The employers in such a system are terrified to hire in the first place, because they cannot dismiss a worker who steals from the till or insults the customers or is in other ways unproductive. And even the honest and productive workers in France cling in terror to the wrong jobs, because they are unlikely to get the correct ones if they quit. The protection-caused unemployment is higher still in Greece. It is appalling in South Africa.

In the U.S. the protections have caused the ghettos to require armed occupation, at any rate in the opinion of conservatives. The south and west sides of Chicago should be hives of industrial activity, employing at low starter-wages the unemployed youths now standing on street corners and joining gangs to enforce local monopolies of drug distribution. Interventions in the wage bargain in Chicago such as the governmentally enforced minimum wage, and interventions in the location of economic activity such as zoning, and interventions in consumption such as the war on drugs itself, make such places economic deserts. No factories, no grocery stores, no non-violent incomes.

Yet we are speaking of a *humane* liberalism. Helping people in a crisis, surely, or raising them up from some grave disadvantage, such as social or economic or physical or mental handicap, by giving help in the form of money to be spent in unprotected markets, is a just role for the government, and is still more admirable for people donating effective help voluntarily on their own. Give the poor in Orleans parish the vouchers for private schools. Give money to the very poor of Chicago to rent a home privately. Turn over your book royalties from *Capital in the Twenty-First Century* to an effective charity.

Yet do not, I beg of you, supply schooling or housing or for that matter books about inequality directly from the government, because governmental ownership of the means of production, a literal socialism, is usually a bad way to produce anything except, say, national defense (and even national defense is commonly done badly and corruptly, as in the many nations such as Egypt and Belarus using their guns to enslave their own populations). Governmental provision makes the poor into serfs of the government, or of the government's good friends the teachers' union in the public schools and the bureaucrats in the public housing authority. The Swedes, whom Americans think are socialists, gave up their government-owned-and-operated

monopoly of pharmacies, which any elderly Swede can tell you were maddeningly arrogant and inefficient.<sup>131</sup>

Mainly let people create by themselves a growing economy, as they did spectacularly well from 1800 to the present, when liberalism inspired the masses to devise betterments and to open new enterprises and to move to new jobs. The stunning Great Enrichment of a fully 3,000 percent increase since 1800 in real wages per person, which I have noted was especially important for the poorest, happened not because of the taxing and nudging and judging and protecting and regulating and subsidizing and prohibiting and unionizing and drafting and enslaving by politicians and organizers and bureaucrats and thugs armed with a monopoly of violence. Mostly it happened despite them, by way of an increasingly free people. The government's rare good deeds in the story were the passing of liberal laws to make people free, as in the Civil Rights Acts of 1866 and of 1964 – though passed in the brief interludes between the government's enslaving or re-enslaving or manhandling of people in the Dred Scott decision or Plessy v. Ferguson or the Palmer Raids or Bull Conner's dogs or the deportation of Dreamers.

The Enrichment and its associated liberation, that is, did not arise chiefly from government, beyond its modest role in the prevention of some portions of force and fraud and the few cases of genuine defense from foreign aggression, such as the unsuccessful War of 1812-14 and the successful Pacific War of 1941-45. Yet strangely the economists since around 1848 have mainly made their scientific reputations by proposing this or that pro-governmental "imperfection in the market," to the number of over one hundred imagined, almost all of them proposed without any evidence that they matter much to the economy as a whole.<sup>132</sup> Monopoly. Spillovers. Ignorant consumers. The economists have claimed again and again that a brilliant government of philosopher-monarchs, advised by the same economists, can offer simple solutions to the alleged imperfections in supply and demand. Anti-trust. The FDA. Industrial policy. Government seizure of railways and power companies. And yet the most important fact about modern economic history, occurring at the very time the economists were bemoaning our "disgrace with fortune and men's eyes/ Alone beweeeping our outcast state" from the horrible imperfections in the market, was that the wretchedly distorted and imperfect commercially tested betterments were delivering a Great Enrichment to the poorest among us of thousands of percent. In Yiddish idiom: "Some imperfections."

For instance, the governmental choosing of winners in the economy, an "industrial policy," is "designed" to repair the shocking imperfection of foresight in private investment, so obvious to the economists, without the bother of measuring whether the imperfection is actually large or whether the industrial policy actually works. Industrial policy in fact seldom works for our good, though it usually works for the industrialists with influence on K Street. Why, in sober common sense, would such choosing of winners work for us? Why would an official high up in the government, stipulating even that she is equipped with wonderful economic models and is

thoroughly ethical, being an extremely bright if recent graduate of Harvard College, know better what would be a good idea to make and sell and buy than some ignorant hillbilly out in the market facing the prices registering the value ordinary people place on goods and services, and facing the actual opportunity cost in their production, and going bankrupt if he chooses badly? Why would it be a good idea to subsidize wind power in advance of a showing that spending on it in fact makes us better off, net of opportunity costs such as the high manufacturing cost of the mills, or for that matter the mass slaughter of migrating birds? As the economist Don Lavoie concluded from a detailed study in 1985 of such governmental planning, "any attempt by a single agency to steer an economy constitutes a case of the blind leading the sighted."<sup>133</sup>

The hubris of industrial planning is an old story. An instance was the Europe-wide mercantilism that Adam Smith deprecated. In Sweden the Göta Canal was built 1810-1832 by military conscripts, before Sweden adopted liberalism.<sup>134</sup> It was a singularly ill-advised project, immensely expensive in real costs, eventually used chiefly for a bit of pleasure boating. In the United States in the nineteenth century the "internal improvements" financed by the government were mostly bad ideas (such as canals in Pennsylvania and Indiana started during the 1830s, built like Sweden's on the eve of railways that made most of the canals unprofitable, the longest canal being the Wabash and Erie, built at great cost 1832-1853) and were of course corrupted into favors for the few.<sup>135</sup> The tariff in the United States early in its history, imposed by a federal government with no other source of income, became quickly a political football, doing little or nothing for U.S. industrialization.<sup>136</sup> Under the Obama administration the Solyndra fiasco gave away a \$535 million "loan" from the government to subsidize U.S.-made solar panels, promptly undersold by the Chinese. Then Trump protected the remainder.<sup>137</sup> Both big political parties do it. A humane liberal party would not.

## #7.

### **We should deal with actual, not fashionable, challenges**

Worry not at all, for example, about the much lamented inequality if it is achieved by smart betterment. To tax away profits is to kill off their signaling role. It destroys efficiency and discourages betterment. The objection is not about incentives to effort, as slow socialists assume when sneering at the profits from commercially-tested betterment. It's about deciding where investment should be made, a price-and-profit signal in market economies that has proven to be much cheaper than the inefficiencies of central planning.<sup>138</sup> The inequality from clever betterments pretty much dissipates within a couple of generations, and often within a couple of years, through the entry of imitations. Meanwhile we poor slobs get the betterments. The imitation of Henry Ford's assembly line or Steve Jobs' smart phone spreads the benefit to us all, pretty soon, in lower prices and higher quality and frenetic, on-going improvements.

Such a result of entry is not hypothetical. It has been the economic history of the world since the beginning, when not blocked – as until 1800 it routinely was blocked – by monopolies supported by the ur-monopoly of governmental violence, and now again increasingly under High Liberalism. The economist William Nordhaus reckons that inventors in the U.S. since World War II have kept only 2 percent of the social value of the betterment they produce.<sup>139</sup> Look at your computer. Or Wal-Mart. Two percent of the social gain arising from Wal-Mart's early mastery of bar codes and mass purchasing – great betterments compared with the older and worse models of retailing – left a lot of money for the children of Sam and Bud Walton. But the rest of us were left with the 98 percent.

Local fortunes a century ago were built on local banking and local department stores. The banks were protected until very late in the 20<sup>th</sup> century in the United States (though not in Britain or Canada) by state-level regulations preventing branch banking. By contrast the unregulated department stores were promptly imitated, and at length bettered. And anyway from the beginning the profits of local department stores were eroded by rapidly falling transport costs, allowing people to shop elsewhere. Sears Roebuck and Montgomery Ward competed with the brick-and-mortar general store charging high prices, and the local department stores, by shipping the new mail orders on the completed railway network at low prices. Amazon is doing the same again a century on, using the government-monopoly-challenging parcel post services like Uneted Parcel. United States Steel's share in national sales of all American steel companies attained its highest level, fully two thirds, on the day it was founded in 1901. The share fell steadily thereafter, with Bethlehem and other companies entering.<sup>140</sup> Look at the thirty companies in the Dow-Jones industrial average. Only five of the thirty date from before the 1970s. The twenty-five others have been replaced by such "industrials" as Visa and Verizon and Coca Cola. In 2018 General Electric, in

the index since 1896, was dropped in favor of Walgreen Boots, the pharmacy. "Industries."

The sheer passage of human generations works, too. How many rich Carnegies have you heard of? Andrew might have made his daughter and her four children and their children, or for that matter his cousins back in Scotland, fabulously wealthy, down to the fourth generation and beyond. But he didn't. Instead he built the library in Wakefield, Massachusetts in which I found and devoured at age fifteen Prince Peter Kropotkin's anti-capitalist anarchist classic, *Mutual Aid* (1902). If you want to see how the dissipation of wealth through families works, look at the Wikipedia entry for "Vanderbilt Family," noting that old Cornelius (1794-1877), the richest American at the time, had fully thirteen children (pity Mrs. Sophia Johnson Vanderbilt, the mother of them all). His great-great-granddaughter, Gloria Vanderbilt (born 1924), made her own money the old fashioned way, by providing goods and services that people were willing to pay for. Her son Anderson Cooper of CNN does, too.

But you should indeed worry about inequality when it is achieved by using the government to get protection for favored groups. It is what a large government, worth capturing in order to get the protection, is mainly used for, to the detriment of the bulk of its citizens. We humane liberals agree with the slow socialists about the evil of an inequality caused by rent seeking, that is, using the powers of the government to extract profitable favors for, say, big oil companies. But we liberals are then startled that our friends the slow socialists advocate . . . well . . . giving still more power of violence-backed extraction to the same government. Put the fox in charge of the hen house, they cry. Surely Mr. Fox is a good and honest civil servant.

Guilds with governmental protection such as the American Medical Association, and government regulations in building codes to favor plumbers, obviously protect the well-off, who in turn fund the politicians enforcing the guilds and regulations. Neat. How many Huey and Earl and other Longs have dominated Louisiana politics since the 1920s? Look at Wikipedia for that one, too. Such inherited political power allied to corruption is ancient. Political candidates in the late Roman Republic routinely bought votes, and anyway the rich of Rome had more power in the system of voting itself.<sup>141</sup> There is nothing new about politicians and businesspeople and billionaires buying Congress for special protection, and gerrymandering the voting system to boot. Mark Twain said "It could probably be shown by facts and figures that there is no distinctly American criminal class except Congress."<sup>142</sup> Better keep it under parole.

Understand that the greatest challenges facing humankind are *not* terrorism or inequality or crime or population growth or climate change or slowing productivity or recreational drugs or the breakdown of family values or whatever new pessimism our friends on the left or right will come up with next, about which they will write urgent editorials until the next "challenge" justifying more governmental coercion swims into their ken.

The greatest challenges have always been poverty and tyranny, which have their cause and their effect through the governmental violence of not allowing ordinary people to have a go. The use of the word "liberal" is a language game, but not therefore "mere."<sup>143</sup> It has consequences, in allowing or not allowing people to have a go. If you eliminate poverty through liberal economic growth, as China and India are doing, and as did the pioneering instances of liberalism of the Dutch Republic during the seventeenth century, you will get equality of real comfort, the educating of engineers to control flooding (and latterly to lessen global warming), and the educating of us all for lives of flourishing. If you eliminate tyranny, replacing it with Liberalism 2.0, you will get the rise of liberty for slaves and women and the handicapped, and then still more fruits of the Great Enrichment, as more and more people are liberated to seek out commercially tested betterments or to subsidize the local opera company. You will get stunning cultural enrichments, the end of terrorism, the fall of the remaining tyrants, and riches for us all.

How do I know? Because it happened in northwestern Europe gradually from the seventeenth century on, accelerating after 1800, and despite the recent descent into populist tyranny by many countries it is now happening at a headlong pace in large parts of the globe. It can happen soon everywhere. World real income per head, corrected for inflation and purchasing power parity, grew from 1990 to 2016 at about 2 percent per year. At such rates (and all the more at the 4.5 percent rate of India or the 8.6 percent of China, in both of which economic liberalism has triumphed), income per person will double every 36 years. In three generations it will quadruple, pulling the wretched of the earth out of their wretchedness.

By contrast, keep on with various versions of old fashioned kingship, or with slow or fast socialism, with their betterment-killing policies protecting the favored classes, especially the rich or the Party or the cousins, Bad King John or Robin Hood – in its worst forms a military socialism or a tribal tyranny, in its best a stifling regulation of new cancer drugs – and you get the grinding routine of human tyranny and poverty, with their attendant crushing of the human spirit. The agenda of humane liberalism, ranged against tyranny and poverty, is achieving human flourishing in the way it has always been achieved. Let my people go. Let ordinary people have a go. Stop pushing people around.

I realize that you will find many of the items we humane liberals propose hard to swallow. You've been told by our progressive friends that we need to have policies and programs and regulations or the sky will fall. And you've been told by our conservative friends that we need anyway to occupy and govern by the gun all sorts of communities of poor people, among them the lesser breeds east and west of Suez, out of the 800 American military bases worldwide. You may view as shocking the contrary proposals to let people be wholly free to flourish in a liberal economy – right-wing madness, you will say, enriching the rich, as the evil Charles Koch plans; or left-wing madness, leading to chaos, as the evil George Soros plans. You will say from the left that liberalism has allowed monopoly to increase. (It has not. Illiberalism has increased

monopoly, when the captured regulators of taxicabs and power companies could get away with it – although monopoly in fact has been dramatically reduced since 1800 by liberty of movement and by free trade, by the railway and the telephone and the internet.<sup>144</sup>) You will say from the right that liberalism has allowed terrorism to increase. (It has not. Illiberalism has allowed terrorism to increase – although in fact terrorism in the West has *declined* sharply in the past few decades.) If you cannot actually think of any fact-based arguments against a humane liberalism, you will assert anyway with a sneer that it is impractical, out of date, old-fashioned, nineteenth-century, a dead parrot. (It is not. The illiberal national socialism practiced by most governments is the obsolete model.)

But you owe it to the seriousness of your political ideas, my dear misled friends, to listen and consider. Lavoie noted "the impossibility of refuting a theory without first trying to see the world through its lenses." Try out the lenses, too.

We are *not* doomed by the New Challenges. We need to avoid shooting ourselves in the feet. Such shooting is a lively possibility, because we've done it before, by way of traditionalism and nationalism and socialism and traditional national socialism. If we dodge the bullet, we can rejoice over the next fifty or a hundred years in the enrichment through humane liberalism of the now-poor, a permanent liberation of the miserable, and a cultural explosion in arts and sciences and crafts and entertainments beyond compare.

Welcome to the liberal future. I urge you to reconsider your politics, by listening, really listening to new facts and ideas, or reconsidering the old ones. The economist and true liberal Bryan Caplan asks, "Who ever made an enemy by contradicting someone's belief about what is wrong with his car?" Yet enemy-making is commonplace in our debates about politics, such as abortion or trade protectionism or the minimum wage. Caplan continues: "For practical questions [such as auto repair], standard procedure is to acquire evidence before you form a strong opinion, match your confidence to the quality and quantity of your evidence, and remain open to criticism. For political questions [such as whether we are left or right or liberal], we routinely override these procedural safeguards."

I want you to become less self-satisfied in your progressivism or your conservatism or even your relaxed middle-of-the-road-ism. I want you to realize that such conventional opinions depend on turning the government's monopoly of violence onto our good neighbors. Often enough--to revive a useful word, a favorite of Dr. Johnson's in the 18<sup>th</sup> century--the conventional opinions are mere cant, which is to say routinely repeated yet unexamined opinions, often enough wrong. "Sir, clear your mind of cant!" he would say. Good advice.

I want you to rely more on liberal rhetoric, sweet talk, peaceful exchange, toleration of the other, and to know their consequences. I want you to become much less certain that The Problem is "capitalism" or the Enlightenment, or that liberty can be Taken Too Far, or that governmental programs of war, socialism, protection, regulation,

and prohibition are usually innocent exercises by wise bureaucrats to better the lives of us all.

With an open mind and a generous heart, dears, I believe you will tilt towards a humane true liberalism. Welcome, then, to a society held together by sweet talk rather than by violence.

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- <sup>1</sup> "win-win": Follett SOURCE
  - <sup>2</sup> "O, let America be America": Hughes SOURCE
  - <sup>3</sup> "we journeyed from Can't to Can": SOURCE
  - <sup>4</sup> "the power that society can legitimately exercise": Mill 1859, p. 1.
  - <sup>5</sup> "Such an argument used what Benjamin Constant in 1819 called": CITE
  - <sup>6</sup> "A startlingly high percentage of American Progressives": CITE FOFEL
  - <sup>7</sup> "Perhaps, at least in the United States, post-millennialism in theology": CITE NELSON
  - <sup>8</sup> "the third of Roosevelt's four freedoms": Roosevelt 1944 CITE ROOSEVELT IN BLIBLIO
  - <sup>9</sup> "it is necessary to scale down. . . scatter the wealth": Long 1934.
  - <sup>10</sup> "an entrepreneurial state": **cite Mazzucato**; the idea is old, even in the U.S.
  - <sup>11</sup> "New Dealers justifying government": Ciye Schlesinger, McCloskey Robert Green, and "their student stil ldo": **Cite AlexField**
  - <sup>12</sup> "capabilities": Sen DDDD; Sen and Nussbaum DDDD.
  - <sup>13</sup> "no society can surely be flourishing": Smith1776I. p. 88.
  - <sup>14</sup> "I've been poor and I've been rich": **cite**
  - <sup>15</sup> "*der reinen Vernunft*": &Kant 1791.
  - <sup>16</sup> "Hong Kong developed in two generations": **R... book early cite; World Bank cite.**
  - <sup>17</sup> "the closed corporate village of conservative nostalgia": for example, Deneen again (McCloskey 2018).
  - <sup>18</sup> "The great artistic ages were built on commerce": see for example Cohen DDDD.
  - <sup>19</sup> "a motorist who wanted to live free": The motorist won an appeal on constitutional grounds in the federal District Court. The State, in its pursuit of "live free or die," then appealed to the U.S. Supreme Court, which accepted the case and voted 6-3 in the motorist's favor (*Wooley v. Maynard*, 430 U.S. 705 [1977]).
  - <sup>20</sup> "The liberal economist the late Leland Yeager": Yeager 1976, p. 560.
  - <sup>21</sup> "Tomasi liberalism of the common man": **cite**
  - <sup>22</sup> "I contain multitudes": **cite line numbers.**
  - <sup>23</sup> "inventing automatic window wipers": NNNN inented them for autos, and his iea was stolen by NNN, under a patent system favorable to corporate interest. . *New Yorker* story **cite**
  - <sup>24</sup> "Operating a food truck": Brick-and-mortar restaurants in Chicago have through government restricted them, **Cite newspaper articles**
  - <sup>25</sup> "believe that the supply and demand are spoilt by imperfections": again, McCloskey 2018.
  - <sup>26</sup> "Daniel Klein calls it Mere Liberalism": See his lecture at <http://econfaculty.gmu.edu/klein/Assets/Liberalism%201.0%20version4.pptx> .David Boaz uses a similar locution at Boaz 2015, p. 145. On the US/UK definition as against the Continental definition, Schlesinger 1962.
  - <sup>27</sup> "Red Toryism": as I am informed by Father Brian Hastings.
  - <sup>28</sup> "policy . . . police": **Go to OED and show it**
  - <sup>29</sup> "*das Monopol legitimen*": Weber 1919.
  - <sup>30</sup> "the depravity of mankind [is] such": Locke 1689 (1963), p. 47.
  - <sup>31</sup> "Transparency International for its Corruption Perceptions Index": CITE
  - <sup>32</sup> "The prime minister in liberal Spain": Cite story
  - <sup>33</sup> "Chicago busily covering up torture and murder": *Tribune stories* CITE
  - <sup>34</sup> "In June of 2018 the humane true liberal David Brooks": FIND
  - <sup>35</sup> "told a gathering of 4,000 liberals at Porto Alegre ": The occasion was the annual Fórum da Liberdade arranged by Instituto de Estudos Empresariais at which spoke the judge Antonio Di Pietro. The professor mentioned below was Adriano Gianturco
  - <sup>36</sup> "The government, economists have determined, is the source of monopolies": FIND AND CITE A CHICAGO-SCHOOL COMPILATION.
  - <sup>37</sup> "As James Madison wrote": EDITION OF FEDERLAIST
  - <sup>38</sup> "Even in North Korea a black market": **CITE NEWSPAPERS if you can**
  - <sup>39</sup> "The liberal economist James Buchanan": Buchanan 1991 [2001], p. 254.
  - <sup>40</sup> "India had been leaving since 1991": **CITE DAS**
  - <sup>41</sup> "In 1913 the total expenditure in GDP": Higgs 1996.
  - <sup>42</sup> "a belief for which there is surprisingly little evidence": yet again McCloskey 2018.
  - <sup>43</sup> "Henry Kissinger joked once": FIND IF YOU CAN



- 44 “Jean Tirole, that noble country’s most recent Nobel “ and following: Tirole 2017, pp. 155-156).
- 45 “Tolstoy’s definition in 1857”: Tolstoy’s letter to a friend, having just witnessed in Paris an execution by guillotine. Quoted in Wilson 1988, p. 146. Wilson remarks that such sentiments “were to be crucial elements in his mental furniture.” Tolstoy became, slowly, a Christian anarchist.
- 46 “a band of robbers”: Rothbard DDDD, p. PPP FIND.
- 47 “the rulers’ power is simply the nation’s own power “: Mill 1859, p. PP early.
- 48 “the continuous attention of authority”: Hayek 1960 [2011], p. 523. And p. 522 a little later. **SOMETHING IS STRANGE ABOUT THE DATE: CHECK**
- 49 “The extravagant modern growth of law as legislation”: Leoni 1961 (1991).
- 50 “Boudreaux, commenting on common law vs. statute law”: Café Hayek 26 Nov 2017. Donald Boudreaux’s blog, Café Hayek (14 November 2017) directed me to the passage, as it has done for me and others for all manner of liberal ideas, for years.
- 51 “Brennan and Caplan”: Brennan DDDD; Caplan 2007.
- 52 “Daniel Klein draws attention to the distinction Adam Smith made”: Klein 2017.
- 53 “even a gorilla, is moved to intervene”: der Wal Dutch guy cite
- 54 “the passive emotion is on reflection ‘so sordid and so selfish’”: Smith 1759, III.46.
- 55 “(as Aristotle said) of the available means of non-violent persuasion”: Aristotle, *Rhetoric*, CITE
- 56 “they were certain they had discerned The Truth”: see &Booth DDDD.
- 57 “everyone is practicing oratory on others”: Smith 1762-66, (A) 6.56, p. 352.
- 58 “The Patriots of the American Revolution “: Alan Taylor DDDD, pp.
- 59 “the Patriot leaders we call the Founding Fathers assumed “: CITE Brown guy, pp.
- 60 “evolutions after 1776 increasingly stayed their hands “: CITE Engerman on violence
- 61 “The economist Yoram Barzel”: Barzel 2002, pp. 3, 268, and throughout
- 62 “I’ll give you \$32,645,000 for it.”: CITE WASHINGTON POST STORY
- 63 “the Hungarian-born British economist”: Bauer 1957, p. PPPP.
- 64 “Hayek, the party of life”: Hayek 1960 (2011), p. 531.
- 65 “the right to say no”: Schmidt DDDD, p.
- 66 “I would prefer not to”: MELVILLE CITE
- 67 “Spencer, as fast as the régime of contract is discarded”: Spencer 1891 (1981), p. 14. Again, Donald Boudreaux’s blog.
- 68 “The American journalist”: Mencken 1922, p. 292. *Prejudices: Third Series*. Yet again Boudreaux. I’ll now stop admitting my indebtedness.
- 69 “the liberal legal theorist Richard Epstein “: Epstein 2009, p xii-xiii.
- 70 “As Boaz puts it at the outset of *The Libertarian Mind* “: Boaz 2015, p. 1.
- 71 “Thomas Paine, ‘Give to every other human’”: PAINE CITE
- 72 “The great (American-definition) liberal Lionel Trilling”: CITE
- 73 “can arrange the different members of a great society”: Smith 1759 (1790), Part VI, Section II, Chapter II, pp. 233-4, para 17.
- 74 “the supply-and-demand arguments have never been scientifically overturned”: McCloskey 2018.
- 75 “the \$9 a month the Indian government proposed”: FIND NEWS STORY.
- 76 “widely adopted in Latin America, with good results”: Reid DDDD, pp. PPPP.
- 77 “the liberal plan of equality, liberty, and justice”: Smith 1776, V.9.3.
- 78 “A man’s a man for a’ that”: The phrase is of course from the ploughman-poet Robert Burns in the 1790s, but Smith had shown in all his writings decades earlier that he was just such an egalitarian.
- 79 “fine-enforced rule in Oregon nowadays”: **Story?**
- 80 “Analytic egalitarianism”: Levy and Peart 2008.
- 81 “In 1685 Richard Rumbold, an English Leveler”: Cite. It is ironic that Jefferson a few days before his death, at which unlike Washington he did *not* liberate his slaves, used without attribution Rumbold’s metaphor of the saddle.
- 82 “James Wilson, wrote”: James Wilson DDDD, pp. 532, 539-545. I am grateful to Steven J. Schwartzberg for the quotation.
- 83 “such a liberalism, from *liber*”: Glare, ed. 1982, pp. 1023, 1025.
- 84 “inspired by the ur-anti-liberal Hegel”: **FASCISM BOOK**
- 85 “Rousseau, leading to the Finland Station”: Wilson DDDD; “the Midwest farm and Willa Cather’s Nebraska”: Cather DDDD and DDDD and other liberal novels (compare McCloskey 2019).
- 86 “How massive? . . . Art or Science or God or Baseball”: For the factual evidence for these remarks, and for much else, consult McCloskey 2006, 2010, 2016.
- 87 “revolutions as the Industrial had been rare but not unheard of”: GOLDSTONE CITE
- 88 “their number has fallen like a stone”: **Cite to prove**
- 89 CITE? In my book?
- 90 CITE GDP FIGURES
- 91 “Donald Boudreaux makes a plausible case”: Cite Don
- 92 “\$3 a day in 1800 to over \$100 a day”: Again, for detailed argument and evidence about such numbers see McCloskey 2006, 2010, 2016,
- 93 “Queen Elizabeth owned silk stockings”: Schumpeter 1942, pp. 67-68
- 94 “*Axiome: la haine du bourgeois*”: Flaubert (May 10, 1867), in *Oeuvres complètes et Annexes. Correspondance*, p. 5883.
- 95 “About the same time in Latin America ‘Positivists’”: **Charles Hale cite.**
- 96 “I have seen the future, and it works”: source
- 97 “Boaz quotes Schumpeter’s witticism”: Boaz 2015, p. 34.
- 98 “When the Commissioner . . . was introduced on National Public Radio”: GET CITE FROM JASON?

99 "The statistic is startling, but accurate": <https://blogs.fda.gov/fdavoic/index.php/2016/11/consumer-expenditure-on-fda-regulated-products-20-cents-of-every-dollar/>

100 "Therefore the cancer treatment that works in Berlin ": On the FDA see Briggeman 2015 and Bhidé 2017, p. 28. On the meaninglessness of tests of statistical significance see Ziliak and McCloskey (2008), and the report of the American Statistical Association 2016.

101 "John Locke opined": *A Letter Concerning Toleration*, 37.

102 "Lionel Trilling wrote in 1950": Trilling 1950, essay on Henry James, "Princess Casamassima," and "Manners, Morals, and the Novel." The late James Seaton (1996, p. 35) alerted me to Trilling's worry.

103 "which Boaz calls 'court intellectuals'": FIND IN BOAS

104 "Henry David Thoreau declared": **bio page**

105 "Francesco Ferrara, wrote that 'taxation'": Ferrara 1849 quoted in Mingardi 2017, p. 29.

106 "purchased with tax money, over half of the newspapers": Pettegree 2014, pp. 11, 368.

107 "As Donald Boudreaux wrote": *Cafe Hayek*, 3/6/17, <https://mail.google.com/mail/u/0/#inbox/15aa3aaaff0f6676>

108 "dismal, it needs to more widely known, because": Peart and Levy DDDD; Persky DDDD.

109 "Liberalism, intones Deneen": Deneen 2018, pp. 30-32

110 "in the great chess-board of human society": Smith 1759 (1790), Part VI, Section II, Chapter II, pp. 233-4, para 17.

111 "as the economists Wayne Leighton and Edward López point out": Leighton and López 2011.

112 "Gordon Tullock, . . . noted in 1975 that gifts to favored folk": Tullock 1975; I am following here the exposition in Leighton and López, pp. 104-106.

113 "wasting every year fully 1% of GDP": U.S. Government Accountability Office 2005; cited in Leighton and López.

114 "The theory of political history proposed by North, Wallis, and Weingast": North, Wallis, and Weingast DDDD

115 "fully regulated industries accounted for 17 percent of GNP": Leighton and López 2011, p. 106, referring to &Winston 1993

116 "Two crucial pages of their 2009 book speak of ": North, Wallis, and Weingast 2009, pp. 192-193.

117 "in fact their explanation for why Britain, France, and the United States": North, Wallis, and Weingast 2009, p. 194.

118 "George Romney, the automaker and conventional 1950s Republican": quoted in Schultz 2015, p. 77.

119 "inside jails and prisoner-of-war camps. . . boomerangs'": Radford 1945; and Berndt and Berndt 1964, p. 302-305.

120 "as Robert Higgs has shown": Higgs 1987.

121 "U.S. consumers gained an average of \$260": Dvorkin 2017; see also Caliendo, Dvorkin, and Parro 2015.

122 "Croce, put it in 1928, 'Ethical liberalism'": quoted in Mngardi 2017, p. 25.

123 "In Tennessee by law nowadays": I believe I learned this fact from the sainted John Sossel in one of his TV shows.

124 "14 percent of jobs disappear": CRUCIAL TO GET THIS

125 "there were 350,000 manual telephone operators": FIND

126 "In 1800 80 percent of Americans were on farms": GET

127 "In 2017 the American government agreed with Mexican sugar producers": GET CITE

128 "the additional cost each year to American consumers of autos outweighed the annual wages in Detroit thus protected by a ratio of ten to one": FIND

129 "dangerously large class of unemployed youths": thus Chp. NN below.

130 "A quarter of French people under 25 years of age and out of school are unemployed": FIND

131 "gave up their government monopoly of pharmacies": CAN I GET A DATE FOR THIS/

132 "imperfection in the market proposed without evidence": McCloskey 2017, again.

133 "the economist Don Lavoie concluded": Lavoie 1985, p. 4.

134 "In Sweden the Göta Canal": ANY SOURCE? Heckscher?

135 "canals in Pennsylvania and Indiana started during the 1830s": Larson 2001

136 "The tariff in the United States": Irwin 2017, p. 158.

137 "Then Trump protected the remainder": CITE STORY

138 "cheaper than the inefficiencies of central planning": Cite Hoover guy by page.

139 "The economist William Nordhaus reckons": Nordhaus 2004.

140 "The U.S. Steel share fell steadily thereafterFIND ASY SOURCE

141 "the rich of Rome had more power": CITE

142 "no distinctly American criminal class except Congress": FIND

143 "The use of the word 'liberal' is a language game": Skinner 1969, esp. p. 37

"monopoly in fact has been dramatically reduce": McCloskey 2018 **coreetc all dates on this** yet again.